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NEW LABOR MINISTER DESIGNATED BY VIDELA

PY181652 Buenos Aires TELAM in Spanish 1652 GMT 18 Jan 79 PY

[Text] Buenos Aires, 18 Jan (TELAM)--President Jorge Rafael Videla has appointed Brig Gen Llamil Reston as labor minister, replacing Gen Horacio Tomas Liendo, who will be assigned to a post in the army.

The announcement, made by the public information secretariat, states that the new minister will assume his duties when the new appointment in the army is determined.

FOREIGN MINISTER INTERVIEWED BY LA NACION

PY182224 Buenos Aires LA NACION in Spanish 18 Jan 79 pp 1, 20 PY

[Exclusive interview granted by Foreign Minister Carlos Washington Pastor to LA NACION in Buenos Aires on 17 January]

[Text] Question: After the signing of the Montevideo accord, Cardinal Samore made a speech noting the daring attitude of the parties in reaching the accord. Could you explain the meaning of this remark?

Answer: On that occasion Cardinal Samore quoted his holiness the pope's message of 1 January on the occasion of world peace day. The holy father called upon all men to make "gestures of peace, even daring ones, to put an end to ill-fated chains of events and passions inherited from history." The cardinal felt that the signing of the Montevideo accord was a gesture of peace through which Argentina and Chile reasserted their will to solve the conflict by means of the mechanism outlined in the accord.

Question: Could you define the Montevideo accord for us?

Answer: It is a specific instrument provided for in the third phase of the negotiating system established by the Act of Puerto Montt and implemented on the basis of proposals submitted by the second mixed commission created by the act. Argentina and Chile have agreed to take advantage of the offer of the Holy See and have asked it to carry out negotiations to help them in their quest for a solution to the conflict. The essence of the mechanism agreed upon is as follows: Negotiations will continue with the aid of the Holy See, taking into account the positions of the two parties and the acts, instruments and proposals drawn up by the mixed commission.

Question: Shortly after the ceremony in Montevideo you hinted at the possibility that the results of the pope's mediation would be known within 5 months. Has this been discussed by the parties or is it merely Argentina's desire?

Answer: The parties have not discussed deadlines for this phase of negotiations. I did not speak of a precise deadline, which is difficult to foresee because his holiness has not yet accepted the request of the two countries.

Question: Has any thought been given as to who will make up the Argentine delegation which will participate in the mediation?

Answer: The possible members of the Argentine delegation are being studied in case such a delegation should prove appropriate, however there has been no decision in this regard in view of the reasons I have mentioned before.

Question: A few days ago the Brazilian foreign minister stated that reconciliation of the upper Parana dams will be achieved soon. Do you share this opinion and do you believe that what Brazil said applies to Paraguay as well?

Answer: When the meeting of the River Plate Basin foreign ministers opened it seemed that the negotiations concerning Corpus and Itaipu were virtually deadlocked. However, the talks I held with the foreign ministers of Paraguay and Brazil restored the political conditions necessary for the resumption of tripartite negotiations.

Therefore, the recent remarks of the Brazilian foreign minister confirm what I was able to see at the meeting in Punta del Este: The two countries have great interest in reaching an agreement as soon as possible. This interest is shared by Argentina in all goodwill. In connection with this the president of the Argentine-Paraguayan mixed commission of the Parana River traveled to Brazil yesterday as special envoy from this Foreign Ministry to discuss all pertinent details.

Question: The Inter-American Human Rights Commission [IHR] is expected here in May. Could you outline Argentina's position for us?

Answer: Our country not only acknowledges the competence of the IHR in the human rights issue, but also believes that its concern over the respect for promotion of these rights is legitimate. That is why the national government has decided to invite the members of the IHR to visit our country. I believe it appropriate to remind you at this point that in line with its organizational charter the IHR must first see if the domestic procedures of each member state have been fully carried out and all possibilities exhausted before making use of its powers. The government's position at all international forums has been that the violation of human rights in our times is perpetrated not only by the governments, but more frequently by terrorists. Argentina's experience fully confirms this position and requires that these violations be viewed from a broader angle--that is, without concentrating on isolated cases which could lead to a false image of the problem. This is why the visit of the commission is awaited with interest. The members of the commission will have the opportunity to observe on site the true situation in the country and the circumstances which surrounded the temporary restriction, on constitutional bases, of the full validity of human rights in the country in view of the need to put an end to the chaos into which Argentina was plunged by terrorist actions during the 1973-76 period. The IHR will have full freedom to exercise its powers, and the government is perfectly well disposed toward cooperating with it for the better fulfillment of its mission.

Question: In some of your statements to the press you have praised Argentine diplomacy. Can we deduce from this that, barring some specific reasons, future domestic and foreign appointments will be entrusted to career diplomats?

Answer: It is the government's intention that the most significant foreign relations positions, both inside the Foreign Ministry and abroad, should be entrusted to those career diplomats who are best qualified for them. My experience in the negotiations which the Foreign Ministry has carried out recently allows me to confirm that the Argentine diplomatic corps has professionals of outstanding qualifications.

Question: In the same way that there is an outlined, confirmed and broadly discussed economic program, would it not be possible to outline a precise foreign policy--that is, one based on specific objectives to be attained within fixed periods of time?

Answer: Your question is based on a comparison between two basic fields of politics: economy and diplomacy. In both fields the main objective is the same: the fulfillment of national interests. However, the action is conducted differently. The nature of foreign policy is such that it does not always allow the establishment of deadlines.
[paragraph continues]

It is rather a constant fulfillment of national interests and a permanent defense of the nation's sovereignty in line with the changing circumstances at both the domestic and international levels. In today's world these circumstances, both at the level of international politics and economics, have become so dynamic that any state, irrespective of how powerful it may be, is unable to exercise full control all by itself. On the other hand, foreign policy involves a continuity of essential elements which stem from the origin of the nation itself, thus constituting a tradition enriched with the passage of centuries. Thus, Argentina has fully assumed its decision of establishing relations with all Latin American countries, trying at the same time to strengthen its bonds with Western Europe and the United States, as all other countries of the world. In all cases Argentina bases its behavior on the values characteristic of the Christian West.

Question: Could you give us a brief outline of the actions your administration will take to convey the true image of the country abroad?

Answer: Knowledge of our reality abroad deserves special attention. This task is made easier through Argentina's special nature. Our country has an uncommon human wealth: Its history and the products of its culture provide elements which give rise to legitimate pride.

Argentina is fully qualified to attain, through work and effort, a status in line with the supreme desires of its people and the hopes which friendly countries have for Argentina's development. The problem of a poor image abroad is partly the result of the deterioration which took place up to 1976 and the consequences of the pitiless struggle which the population had to wage against the gangs of terrorist criminals, and the disruptive actions of these same gangs and their international ramifications. In order to give a satisfactory answer to our need for image improvement, the general directorate of press and dissemination of the Foreign Ministry is working on its reorganization and the planning of resources available for the attainment of the established objective.

In addition to this, appropriate actions are being implemented to effect proper coordination with the various state organizations in order to establish jurisdictions and avoid overlapping efforts.

CANADIAN ENERGY OFFICIAL OUTLINES NUCLEAR AID

PY171658 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1155 GMT 17 Jan 79 PY

[Text] Buenos Aires, 17 Jan (NA)--Ross Campbell, president of the Canadian Atomic Energy Company, said before returning to his country that he has offered Argentine officials the building of the Atucha II nuclear plant, including cooperation to introduce heavy water technology here.

Campbell said that the formal proposal will be submitted on 15 February 1979 and that in addition to these matters he also discussed with Rear Adm Carlos Castro Madero, president of the National Atomic Energy Commission (CNEA), matters regarding the nuclear plant being built in Rio Tercero.

Campbell said: "Problems always emerge in projects of this size and I have discussed these matters with Admiral Castro Madero." He also pointed out that the Rio Tercero plant was his first objective during this visit to Argentina, his second in the last 7 months.

Regarding the second objective, Campbell said: "The objective was to insure that Canada and particularly my company continue to provide supplies for the rest of the Argentine nuclear program."

He added: "Therefore, we hope that we will also be called for Atucha II, which will be the third Argentine nuclear plant."

Asked about how much Argentina will have to invest to build Atucha II with Canadian cooperation, Campbell said that "it is difficult to say." He said: "The cost of products has increased so much all over the world." He added: "Besides, I do not like to reveal the total amount because this situation involves a commercial offer."

Asked about the possible existence of competitors, Campbell said that "sure, the Germans are also making offers to build Atucha II." Regarding another question, he said with a smile: "I hope that, besides Atucha II, we will be able to build Atucha III, IV, V and others. Truly, we really want to continue cooperating in all aspects of the Argentine nuclear program."

Regarding Atucha II, he reiterated that "it is almost all finished now, therefore I will not have to return. We will officially submit our proposal on 15 February."

Campbell was optimistic because "Argentina chose the heavy water system and we are the only commercial providers of this system in the world because, while the Germans have built one plant, we have built 31; therefore it seems clear to me what the Argentines will decide." In conclusion, he indicated that he discussed with Castro Madero and his advisers only matters related to the provision of technology. He also stated that "it is clear that if Argentina wants to continue with this system it will have to make sure that it will have an adequate fuel supply; for this it will need complete knowledge of the method for manufacturing heavy water."

SOVIET TECHNICIAN HELPING TO COMBAT HAILSTORMS

FY152141 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1420 GMT 15 Jan 79 PY

[Text] Mendoza, 15 Jan (NA)--Soviet technician Yuriy Kuznekov, assigned to the launching station in San Martin Department, has stated that "the Soviet method of fighting hail is now protecting 5 million cultivated hectares of land throughout the world with a confirmed effectiveness of 75 percent." Kuznekov is cooperating in meteorological studies by special request of his Argentine colleagues, especially Dr Jose Nunez, director of the Argentine scientific program, who studied the Soviet Union.

Kuznekov stated that his country has been methodically working on this subject and thus has gained greater experience and is now in a position to share it with other countries. He then explained that most countries are using the Soviet method in their struggle against hail and praised what has been achieved in Argentina, "where everything related to hail is studied seriously and effectively."

A "Clag 2" rocket was tested last week for the first time against a storm front which presented a 40-percent chance of hail. The rocket decreased to zero the possible precipitation of hail.

BRIEFS

FOREIGN MINISTRY OFFICIAL--Buenos Aires, 11 Jan (TELAM)--Col Carlos Felipe Blommer-Reeve has been appointed chief of Cabinet at the Foreign Ministry. [Buenos Aires TELAM in Spanish 1725 GMT 11 Jan 79 PY]

PURCHASE OF HUNGARIAN CRANES--The national ports administration has been authorized by the government to acquire 20 Hungarian-made electric cranes with their respective accessories and spare parts. The deal will be made within the framework of the appropriate agreement signed between Argentina and Hungary, and represents an investment of \$9,742,000. [Buenos Aires Radio Belgrano in Spanish 0130 GMT 17 Jan 79 PY]

WORKERS DEMONSTRATE IN SUPPORT OF DEMOCRATIZATION

PY190141 Buenos Aires LATIN in Spanish 2335 GMT 18 Jan 79 PY

[Text] La Paz, 18 Jan (LATIN)--The Bolivian working class, during peaceful demonstrations held in various cities and mining centers throughout the country, today demonstrated staunch support for the democratic process, which will culminate in July with a general election.

According to union estimates, 40,000 workers marched through the capital's main streets in an imposing act unequaled since 1971, the year in which a harsh military regime came into power. Reports received here stated that similar workers' marches took place in the country's interior in a peaceful and orderly manner under the auspices of the Bolivian Labor Central [COB].

Under circumstances unusual during the turbulent political history of the past few years, police and military forces were absent today from the labor demonstrations. Slogans such as "Democracy yes, fascism no," "The military to the barracks, workers to power," and "Government for the people" were repeatedly chanted by the demonstrators. The most important march took place in this city, virtually paralyzed from noon on in view of the COB's call for the march and a government decree which facilitated workers' attendance at the demonstration.

Several of the speakers who addressed the crowd in front of the COB headquarters made harsh attacks against the military government of former President Gen Hugo Banzer, who was ousted in July 1978. He ruled in a brutally repressive regime, massacred peasants and completely ignored the political and union liberties of the Bolivian people, according to Gonzalo Aguirre, the foremost leader of the local university federation. Other leaders reiterated the political demand proposed to the military junta government for the withdrawal of troops from the country's mining centers--troops which have been there since 1974. They recalled the people's great victory a year ago when a hunger strike begun by four working women forced the government of General Banzer to grant a general political amnesty, which then led to the present democratic process.

Today's labor march was designed mainly to express repudiation of alleged conspiracy plans against the process which will return government power to civilian hands in August. A fascist plan for government control was denounced today by the country's labor leadership with a categorical warning that the people will struggle against any blow directed at the defense of their regained liberties, Rene Higuera, secretary general of the COB, said in a speech made to the crowd.

At the same time, Gen David Padilla, president of the military junta, today reasserted the government's decision to hold the elections called for July. In referring to the labor movement to support the process, he expressed his satisfaction with their views and warned that if marginal elements intend to oppose the process, they will know what to expect.

EL DIARIO ATTACKS FUDP UTOPIANISM

PY180018 La Paz EL DIARIO in Spanish 15 Jan 79 p 2 PY

[Editorial: "Utopists"]

[Text] The renaissance was very rich in utopias. New Atlantis of Francis Bacon, La Ciudad del Sol of Tomaso Campanella and Utopia of Thomas More must be remembered.
[paragraph continues]

But the world of fantasy did not stop there so far away in time. The urge for utopias also became rooted in Bolivia and has recently resprouted thanks to a political trend which exists here and which is identified by the letters FUDP [Democratic and Popular Unity Front], an unusual type of marriage between the rightist branch of the movement and the Castro-leaning Movement of the Revolutionary Left.

Anyone who has bothered to read the barrage of communiques and paid ads of this political front is not surprised at the contents, which are frankly utopian. The intention of nationalizing the banking sector, medium-sized private business, the medium-sized mining sector and even the social communication sector with a stroke of the pen means that the scope of this was never studied. Possibly it is a question of a hurried tracing of the program which Popular Unity developed in Chile, with the fateful consequences known by all. The private sector is being terrorized with the intention of such extreme measures as it believes that socialism will be introduced into Bolivia if the FUDP's formula wins in the next elections, thus allowing it to put its machinery into operation.

Measures such as those proposed by the feverish leaders of the FUDP have failed in other latitudes and it is quite clear that it seems to be a mistake if the attempt is made to introduce them as such into a country such as ours, which is characterized by a notorious cultural, and even geographical, pluralism. With such bold ideas the risk will be run of dividing the population into two warring camps, and the confrontation could lead to very regrettable consequences. The FUDP's blindness is patent. Its obstinancy, and consequently its perspective and calm which ooze from the documents it issues, may lead our fatherland toward a bitter struggle and even toward fatal situations.

Regarding the government, usually well-informed circles comment that a part of it supports this front which is considered to be of a socializing democratic trend. It is a mistaken evaluation if the above is believed because it can be noted that it does not possess a well-defined framework for resolving national problems with exact economic, political, social and cultural guidelines. It has merely limited itself, as indicated, to generalities of an outstanding utopian nature which include things which are difficult to shape. Therefore, it refuses to debate and discuss what it proposes. It believes that an acrid tone and threatening attitudes are sufficient.

Regarding a moralizing trend, this front is not morally qualified because among its members are those who stand out precisely not because of their ethical or intellectual quality, but all to the contrary--people who, when in power, dealt in foreign exchange and who introduced a black market of smuggled goods and then continued to institutionalize it. The terror in Santa Cruz must also be recalled where a group of thugs established an institution similar to the Mafia, including protection for drug traffickers, individuals who tortured their adversaries and physically mistreated them in the most vile way.

Shall we allow these people to manage the national destiny? Is it possible to allow the country and its integrity to be destroyed with Utopian ideas? The answer is a categorical no because the time has come to say no to those who are not in touch with reality and to the extremists.

No one can avoid his responsibility and sit on the fence in the patriotic task of pointing out the danger of the utopists who currently enjoy many favors, both from abroad and in Bolivia. Once again the antifatherland will be destroyed.

NO STATE OF EMERGENCY BECAUSE OF BUS STRIKE

PY180034 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 17 Jan 79 FY

[Text] Brasilia--Presidential spokesman Ruben Ludwig has denied that the government is thinking of implementing a state of emergency because of the motor transport workers' strike in Rio de Janeiro. Ludwig indicated that the matter is in the hands of the regional labor office of Rio de Janeiro.

According to Ludwig, the government has merely pointed out the essentially significant role of motor transportation, an admission proved by the government-ordered postponement of university admission exams.

Ludwig also commented on the open letter sent by federal government employees to President Geisel. He said: This is a time of demands. He concluded by saying that everyone wants more money; the problem is how to take care of their demands.

COMMUNIQUE ISSUED ON ITAIPU-CORPUS TALKS

PY190026 Buenos Aires LATIN in Spanish 2241 GMT 18 Jan 79 FY

[By Juan Javier Zeballos]

[Excerpt] Brasilia, 18 Jan (LATIN)--The Brazilian Government stated here today that it will announce the results of the agreements with Argentina only in case a solution of for regularization of the Itaipu and Corpus dams is found during the 2 months remaining before the change in government.

If that is not the case, no comment or statement will be made by the Brazilian Government, according to a press communique issued by the local Foreign Ministry after a 3-hour meeting held here by Foreign Minister Antonio Azeredo da Silveira and Admiral Horacio Colombo, the special envoy from Argentine Foreign Minister Carlos Washington Pastor.

The two men held a long closed-door meeting which ended with lunch at the residence of the Brazilian foreign minister. Itamaraty's official spokesman, Luis Felipe Lampreia, refrained from making any comment on the encounter, saying that he had specific orders to limit himself to the official communique.

The document stated that Azeredo da Silveira was pleased to meet with Colombo for nearly 3 hours. As we are only 2 months away from the end of this government's term in office, he added, the result of the talks will be announced only if a solution is found to the issue of the regularization of Itaipu and Corpus. There are differences among analysts as to whether the document should be interpreted as optimistic or pessimistic. Even though it indirectly admits that there may be a solution to the problem during the term of office left to President Ernesto Geisel, it also suggests that a conclusion may be reached only during the government led by Gen Joao Batista Figueiredo.

It was viewed as a positive factor that after 3 hour of talks with Colombo, Azeredo da Silveira invited him to lunch at his residence. Although this is not the only time this has happened, it is not usual for the Brazilian foreign minister to do so, according to local newsmen.

In addition, it was also noted that after resting at his hotel, Colombo returned to the Foreign Ministry during the afternoon especially to bid farewell to Azeredo da Silveira just before leaving for Sao Paulo, from where he will continue his trip to Asuncion to meet with Paraguayan Foreign Minister Alberto Noguez.

INDUSTRIALIST URGES MODIFYING NUCLEAR PROGRAM

PYL171247 Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Jan 79 p 16 PY

[Excerpt] Sao Paulo--After assuming the presidency of the Brazilian metals association yesterday, Antonio Ermirio de Moraes of the Votorantim industrial group held a press conference during which he recommended the government undertake a review of the Brazilian nuclear program after slowing it down immediately.

He justified his recommendation by observing that since 1974 many nuclear projects, totaling 66 million kw, have been cancelled throughout the world, an amount which is practically three times more than all installed generating capacity in Brazil at this time. He believes that Brazil should decelerate its nuclear program now to give itself a chance to install more modern reactors now being developed or even perhaps breeder or fusion reactors, taking advantage of and assimilating the best technology.

Referring to the reactors which will be installed in the Angra dos Reis nuclear plants, Moraes said that those reactors "do not make the best use, but rather waste uranium," and that for this reason Brazil should be thinking of breeder reactors which can make 50 times better use of uranium than the reactors to be installed in Angra dos Reis.

In recommending that the Brazilian nuclear program be decelerated for review and for examination of the possibility to install more advanced reactors, Moraes said: "I hope the government will begin reviewing the nuclear program thoroughly." He then expressed his belief that the new government will heed his recommendation.

BRIEFS

1978 STEEL PRODUCTION--Brazil produced 12.1 million tons of steel in 1978, 12.1 percent more than last year, when it produced 11.1 million tons. It was also reported that Brazil exported 1.06 million tons, worth \$221 million in 1978, representing a 190-percent increase over 1977 exports. [Rio de Janeiro O GLOBO in Portuguese 6 Jan 79 p 23 PY]

1978 OIL IMPORTS--Brazil imported 329.4 million barrels of oil in 1978, 9 percent more than in 1977, when it imported 302.7 million barrels. [Rio de Janeiro O GLOBO in Portuguese 7 Jan 79 p 1 PY]

FOODSTUFFS IMPORTS--Brazil imported rice, onions, corn, beef and black beans at a total cost of \$486.17 million in 1978. These imports were necessary because of damage caused by adverse weather conditions and because of a poor incentives policy for agricultural production. [Rio de Janeiro O GLOBO in Portuguese 7 Jan 79 p 1 PY]

NEW OIL WELL--Brazilian Petroleum Corporation has announced the discovery of another oil well in the Campos Basin in Rio de Janeiro State. The new Rio de Janeiro 50 oil well produced 3,874 barrels per day at two different levels. [Porto Alegre Radio Guaiba Portuguese 0200 GMT 5 Jan 79 PY]

DEFENSE MINISTRY OFFICIAL DISCUSSES LEMOBILIZATION

PY181216 Santiago Chile Domestic Service in Spanish 1000 GMT 18 Jan 79 PY

[Excerpt] A Defense Ministry spokesman has stated that since Chile did not mobilize any troops it has nothing to demobilize.

The spokesman made this statement when he was asked about news from Argentina which reported the withdrawal of Argentine troops which were mobilized during the border crisis with Chile.

He explained, however, that the troops that were deployed to the border belonged to garrisons stationed in the southern region and that in fulfillment of an order from the high command they now have returned to their quarters.

TRAFFIC WITH ARGENTINA RETURNING TO NORMAL

PY171432 Santiago Chile Domestic Service in Spanish 1000 GMT 17 Jan 79 PY

[Text] Reports from Puerto Montt state that Argentine authorities have lifted restrictions which affected the traffic of vehicles and persons to and from Argentina.

In the last few days there have been groups of tourists entering Chile from Bahia Blanca and San Carlos de Bariloche through the Puyehue border road from Osorno.

A broadcast of Argentine Radio Neuquen heard in Puerto Montt said that Argentine authorities have officially announced the lifting of restrictions. Tourism and transportation enterprises, therefore, resume their services between the two countries.

Restrictions continue to be enforced only at the Perez Rosales border crossing. Only tourist groups with Chilean and Argentine guides are allowed to use this crossing. Furthermore, this border crossing on the Chilean side is completely normalized.

UNION LEADERS RETURN FROM WASHINGTON MEETING

PY181850 Paris AFP in Spanish 0318 GMT 18 Jan 79 PY

[Excerpt] Santiago, Chile, 17 Jan (AFP)--Three Chilean union leaders who attended the meeting of a continental labor organization which suspended the boycott against Chile returned to the country today.

The union leaders, members of the dissident Group of 10, gave a different interpretation of the decision made by the U.S. organization AFL-CIO and the Regional Inter-American Labor Organization (ORIT) suspending the boycott against Chile.

Railroad leader Ernesto Vogel indicated that it will all depend on what happens in union matters here from now until approximately 15 February.

Hernol Flores, leader of the postal and telegraph workers, said that the informational work they carried out during the assembly in Washington was quite positive.

He said: "I believe that there was no discussion of suspending the measure. What happened is that some information regarding the real labor situation in Chile was verified."

The leader of the government employees' union, Tucapel Jimenez, said that he found great solidarity with the Chilean workers during the meeting held in the U.S. capital.

The three union leaders said that they will hold a press conference to report on the situation next Thursday.

OPPOSITION LEFT REJECTS PROMISES ON UNION FREEDOM

FY181933 Paris AFP in Spanish 1605 GMT 18 Jan 79 FY

[Text] Rome, 18 Jan (AFP)--The opposition of the exiled left, grouped in Italy under the name of Democratic Chile, stated in a communique today that "union rights will not be restored in Chile under General Pinochet's regime." The promises made to the inter-American regional organization only had the objective of rejecting the boycott which was being prepared by members of ORIT [Regional Inter-American Labor Organization] and of improving the image of the military government abroad, Democratic Chile said. Those promises "will by no means change current restrictions because they have not been suppressed, the Chilean opposition continued, citing union sources. To show the fraudulent nature of the remarks made by new Chilean Labor Minister Jose Pinera, Democratic Chile stated that the latest commission charged since 5 January with studying the problem of union opening is made up of persons linked to the regime who do not belong to the labor sector and does not include a single labor representative.

EL MERCURIO APPLAUDS SUSPENSION OF BOYCOTT

FY171312 Paris AFP in Spanish 0408 GMT 17 Jan 79 FY

[Text] Santiago, Chile, 17 Jan (AFP)--EL MERCURIO stated today that the suspension of the boycott ordered by a continental labor organization prevented an unfortunate international precedent from being established.

The U.S. union organization AFL-CIO and the Regional Inter-American Labor Organization (ORIT) agreed in Washington to indefinitely suspend the boycott against Chile ordered last October.

This does not mean that if the Chilean Government does not comply with the measures recently announced, that the boycott will not be put into practice, said union leaders of the two organizations.

EL MERCURIO said that the possibility of a sovereign country being subjected to certain measures due to pressures from powerful supernational union organizations is a threat to any country which has made decisions believed by these organizations to be inappropriate. In today's issue, EL MERCURIO said that Chileans should be happy that the AFL-CIO and ORIT leaders have come to their senses and suspended the boycott against Chile at a time when Chile is liberalizing its unions. EL MERCURIO emphasized that the measures, apart from being unjust, would have been unacceptable interference in Chilean internal affairs. EL MERCURIO concluded by stating that with the loosening of this pressure the Chilean Government has made another victory, which will permit it to rapidly continue its development and to carry out its labor program aimed at democratizing labor activity.

At the beginning of this year the government announced a series of measures which will be put into practice during the second half of this year and which will reestablish the right to strike, collective bargaining, free elections and the guarantees which have been suspended since 1973.

COMMENTARY EXAMINES FAILURE OF ORIT BOYCOTT

PY171909 Santiago Chile Domestic Service in Spanish 1045 GMT 17 Jan 79 PY

[Commentary by Rafael Kistainer]

[Summary] After an extensive debate on whether or not the boycott against Chile would be enforced, the AFL-CIO came out yesterday morning with a brief five-line communique announcing indefinite postponement on the decision to enforce a boycott against Chile.

"It is important to note the deterioration of the process. First the Regional Inter-American Labor Organization, ORIT, which is financed, organized and controlled by the United States, came out with the idea of a boycott. This idea was then submitted for discussion by a meeting of the AFL-CIO for approval. But after an extensive debate in Washington the opposite took place: AFL-CIO support fell through and therefore the ORIT maneuver fails and even the futile attempt of each individual inter-American union to enforce a boycott against Chile whenever deeming it necessary fades. I repeat that in the end nothing happened.

"In short, the idea of a boycott experienced what we can call a 12-degree earthquake. It died a natural death."

In any event, there is satisfaction on our side because it means that Chile has overcome a problem at the international level. "Although this boycott would not have strong pressure because its effects would be quite reduced, it is a healthy and useful thing for the boycott to have disappeared from our horizon."

But behind all this there are some things which must be considered. Among them is the complete failure of the so-called Chilean union leaders who tried to impose this boycott. They issued many comments against the government labor policy, against the alleged lack of freedoms. They did everything they liked, traveled to the United States several times, held consultative meetings, etc; furthermore, they used all the prerogatives which union leaders used to have and even were on all front pages for 7 weeks. "But during this same period, ladies and gentlemen, the government, which is obviously enforcing a new policy, moved through proper channels. It served notice on international political and diplomatic fronts, and on national labor representatives, by announcing the new labor plan.

This caused a curious reaction in Washington. Since the U.S. leaders were more or less informed about the free labor elections held on 31 October, this was something they could not ignore. Furthermore, they were informed that a labor plan was being enforced, that there had been notable progress in the labor field and that there was a high-ranking commission listening to union problems. "So when those alleged Chilean union leaders went to plead in Washington for the alleged dramatic situation of Chilean workers, they were told: What are you complaining about, since in Chile there is virtually complete labor freedom? But these Chileans could not answer this because the only thing they could rightfully complain about is that they had become part of the past."

Many things are going well for Chile. We are coming out of several situations and I believe, ladies and gentlemen, that the enemies of the Chilean Government will just have to invent another tool to succeed because, if they have been unable to destroy this government throughout these 5 years, despite their efforts, they will be even more unsuccessful now that the atmosphere is beginning to clear up.

M-19 HIDEOUT DISCOVERED; GOVERNMENT ISSUES COMMUNIQUE

Report on Discovery, Arrests

PA171922 Bogota Radio Cadena Nacional in Spanish 1730 GMT 17 Jan 79 PA

[Text] Colombian military forces dealt another spectacular blow to the subversive M-19 movement this morning with the discovery of another hideout. They found a large amount of arms and ammunition and arrested two masterminds of the seditious organization.

The hideout was found on Carrera 13 in building 34-D 04 south, Gen Miguel Vega Uribe, the commander of the Military Institutes Brigade [BIM], told this station. More of the arms stolen by the M-19 between 31 December and 1 January from the Usaquen depot were found in the hideout.

According to the first official reports given to this station, the military forces found 4 grenades; 2 light machineguns; 2 San Cristobal carbines; 2 shotguns; an army helmet with "M-19" painted on it; 200 well-packed, unleaded revolvers; and a lot of ammunition.

The names of the two persons arrested in this new and successful armed forces operation have not been released yet, but it was said they are very important members of the subversive organization, which has virtually been dismembered in the past 5 days. This is the fourth setback M-19 has suffered after harassing the government for the past 6 years.

Last weekend another M-19 hideout was located in suburban Cali, and a people's jail was found in a residential district in southern Cali.

In two simultaneous operations in Bogota yesterday, the army recovered 3,007 of the arms stolen from the northern depot at the end of the year. Today, in southern Bogota, M-19 suffered another setback when the rest of the arms were found and two of the leaders of the movement which murdered labor leader Jose Raquel Mercado 3 years ago were arrested.

The Defense Ministry will release a communique soon through San Carlos Palace reporting on the latest blow in the frontal battle against subversion.

BIM Commander Gen Miguel Vega Uribe refused to comment on the successive victories, saying that all pronouncements will be made for obvious reasons by Defense Minister Gen Carlos Camacho Leyva.

In Bogota today, however, the Antonio Narino Museum in the Ciudad Montes district in southern Bogota was occupied for several minutes this morning by men who painted slogans on the walls referring to the clandestine M-19 movement. Rafael Poveda Alfonso, director of the Administrative Department of Security [DAS], said the occupation was peaceful. Slogans indicating that M-19 is a military and political movement were painted on the walls along with demands for respect for human rights and newsmen's cooperation with the group. According to the DAS director, another slogan said: "Bolívar and Camilo, with their sword and rifle we will continue the struggle." Poveda Alfonso said the end of M-19 is very near.

The government today emphasized that it will not let down its guard in its frontal battle against sedition, adding that its operations against subversives will continue indefinitely. Government Minister German Zea Hernandez and Defense Minister Gen Luis Carlos Camacho Leyva informed this station this morning of the armed forces' successes against organized terrorism. General Camacho Leyva announced the continuation of such operations.

He said: Do not think these are over; our mission is to prevent and attack sedition. He went on to say that it is the government's duty to defend legitimately established institutions.

On his part, Government Minister German Zea Hernandez said the government cannot let down its guard and will keep it up throughout the country. The state of siege will also be continued until there is complete normalcy in the country.

In addition, President Julio Cesar Turbay Ayala expressed satisfaction today at the anti-subversive operation carried out by the military forces. The recovery of the stolen arms in northern Bogota was also praised by the chief executive, DAS Director Rafael Poveda Alfonso revealed upon leaving San Carlos Palace at noon today. Poveda Alfonso indicated that with the arsenal discovered today in Asuncion, Bochica, northwestern Bogota, it can be said that the M-19 movement is almost dismembered.

Presidency Communique

PA181429 Bogota Cadena Radial Super in Spanish 1100 GMT 18 Jan 79 PA

[Colombian Presidency communique released in Bogota on 17 January 1979--read by announcer]

[Text] The National Defense Ministry discloses that, in operations ordered to capture the perpetrators and recover arms taken from the military depot in the city of Bogota, the following results have been obtained:

1. Yesterday in the locality of Boza, in house No 12-44 on 6th Street, the following were recovered: 200 small arms, 17 .30-caliber carbines and ammunition of different calibers.
2. Today in the city of Bogota, house No 34-D 04 on 3d Street, the following elements were found: 122 small arms, 36 grenades, 1,660 cartridges of different calibers and 1 shotgun; also, 3 carbines, 2 bulletproof vests, 2 transistor radios, several accessories for revolvers, [words indistinct] equipment of the military forces, and a large quantity of M-19 documents.

GOVERNMENT MINISTER DISMISSES LIFTING OF STATE OF SIEGE

PA170216 Bogota Radio Cadena Nacional in Spanish 0000 GMT 17 Jan 79 PA

[Text] Bogota--Government Minister German Zea Hernandez today flatly discarded any possibility of lifting the security measures. The high-ranking government official told RCN [Radio Cadena Nacional] that the successful operation carried out today by the army should be cause for rejoicing among the people, and he expressed hopes that trust and peace will be bolstered as a consequence of the operation. Following is a recorded statement by Minister Zea Hernandez to RCN:

[Begin recording] So far, we have just started a campaign designed to counter the criminal activities of the subversive groups in the country. The fact that we have already scored some success does not mean the situation has been eliminated. As long as there is a possibility that subversive forces exist in the country, it is very difficult to predict when the state of siege will be lifted.

Once the threat has been totally crushed, then the natural thing is for a state of peace to return to Colombia, making unnecessary the application of the special legal provision provided for in Article 121 of the national constitution. [end recording]

OFFICIAL COMMUNIQUE ON INVESTIGATION OF FIREARMS THEFT

PA162249 Bogota Radio Cadena Nacional in Spanish 1730 GMT 16 Jan 79 PA

[16 January communique issued presumably by the Press and Information Secretariat of the Presidency of the Republic--read by Press Secretary Marta Montoya at San Carlos Palace]

[Text] [In progress] under advice from the Council of Ministers, ordered the detention of over 150 citizens against whom there was substantial evidence that they were violating public peace. Most of these people were captured, [word indistinct] and interrogated by the Military Intelligence Service, which thus obtained new and special evidence that gradually gave shape to the investigation.

2. Through the information provided by the persons arrested and citizens supporting the government and the military forces, 44 weapons of various calibers were recovered in Bucaramanga and several persons were arrested.

3. Yesterday in the city of Cali, a new hideout belonging to the so-called M-19 movement was discovered. The hideout utilized special security measures and was larger than a similar installation discovered earlier in Bogota. The public has already been informed about its existence. Altogether, 42 weapons, ammunition of various kinds, one mimeograph machine and 175,200 pesos in cash were recovered. Several persons were also arrested.

4. This morning, members of the Military Intelligence Service and Military Institutes Brigade troops conducted a raid on a house, No 40-46, located on 142 Street. Reports had been received that many of the weapons stolen from the military depots had been hidden there. When the house was raided by the units normally used in these cases, an underground room was discovered. Once uncovered, a large number of weapons were found stored there. It can be announced to the public that as of this hour, 1230 local time, 3,007 weapons of various types and calibers have been recovered in Bogota, especially almost all of those classified as being for the exclusive use of the military forces. This is equivalent to 73 percent of the weapons stolen, including those which were seized in Bucaramanga and Cali.

5. Included among the weapons recovered is the M-1 rifle that the subversive forces claim belonged to deceased priest Camilo Torres, even though according to military files this rifle has a completely different history.

6. The intelligence services have also seized 22 houses in Bogota, which were abandoned by their fleeing residents, against whom there is evidence connecting them with subversive activities.

7. The Defense Ministry wishes to praise the tenacious and patriotic work carried out by all members of the military forces, the national police and the Administrative Department of Security, as well as the citizens' cooperation against subversion, all of which have resulted in the developments to which we have previously referred and which were carried out over a period of less than 15 days. This constitutes evidence that so long as the government maintains its unalterable determination--as it in effect exists--to resort to juridical means in order to preserve the institutions and guarantee the people's life, honor and property, nothing and nobody will be able to seriously or permanently disrupt the citizens' peace.

8. The military forces, the national police and the Administrative Department of Security continue to fulfill their institutional mission.

Bogota, 16 January 1979

FINANCE MINISTER REPORTS ON ECONOMY IN 1978

PA181906 Quito Voz de los Andes in Spanish 1730 GMT 18 Jan 79 PA

[Text] Ecuadorean Finance and Public Credit Minister Juan Reyna Santacruz informs the nation of efforts carried out in 1978 by state ministries and public organizations in the economic sector.

[Begin recording] In 1978 the industrial sector grew 12.9 percent while the gross domestic product increased about 6.8 percent in real terms. Thus, the economy's growth rate was given a strong push, [industry] becoming its most dynamic component. The degree of industrialization, that is to say, the participation of industry in the gross domestic product, was 17 percent--one of the highest registered in the nation (?since) the discovery of petroleum. On the other hand, exports of industrial products grew by over \$100 million, contributing positively to the creation of a \$205 million surplus in the balance of trade. Industrial policy in 1978 was characterized by the maintenance of an atmosphere of confidence indispensable for private investment.

The national planning and programs system during the first quarter of 1979 calls for the creation of a development bank with the special mission of financing municipalities and provincial councils. It has the support of the Inter-American Development Bank and the experienced technical assistance of the Brazilian Development Bank, a public financing organization.

The Supreme Council of Government has authorized the finance minister to refinance a large part of the foreign debt. Terms on the loan of \$500 million will be obtained internationally soon, with truly special terms on the international market because of the nation's capability to meet its obligations and its international economic prestige. Interest to be paid amounts to 7.8 percent over the London Interbank [word indistinct] rate during the grace period, and 1 percent during the amortization period. The total term is 10 years, including 3 and 1/2 years of grace.

To conclude this outline of the government's work and the national economy in 1978, it should be noted that in a world of financial uncertainties the Ecuadorean economy as a whole offers a picture of security and solidity. Economic growth for more than 5 years has been sustained without depending solely on petroleum. There is an ever-increasing balance between diverse productive sectors of the country.

We conclude that 1978, despite several unfavorable factors and circumstances, has been a good economic year. This in no way means that the nation should not give urgent attention to the agricultural and livestock sector, upon which depend the stability of food prices and the equitable distribution of revenue, which are so necessary for the welfare of our fellow citizens. [end recording]

BRIEFS

BUDGET ALLOCATIONS--Education, public debt service and national defense have drawn the biggest allocations in the general state budget. Education, a fourth of the budget, received 6,484 billion sucres. Funds earmarked for the Defense Ministry total 4,392 billion sucres, 17 percent of the total budget. Servicing of the public domestic and foreign debt and overall allocations [asignaciones globales] receive 5,036 billion sucres. [Quito Voz de los Andes in Spanish 1230 GMT 2 Jan 79 PA]

1978 CRUDE OIL EXPORTS--Ecuador's net crude oil exports for 1978 amounted to 41.34 billion barrels, an increase of 11 percent over 1977. Of this amount, 64 percent was produced by the Ecuadorean State Petroleum Corporation. [Quito Voz de los Andes in Spanish 1230 GMT 17 Jan 79 PA]

RADICAL LIBERALS, UNITED LIBERALS MERGE

PY152250 Asuncion ABC COLOR in Spanish 14 Jan 79 p 11 PY

[Text] The boards of the Radical Liberal Party [PLR] and the United Liberal Party [PLU] last Thursday decided to merge the two parties. Through a jointly prepared document yesterday they ratified the unity between the two political groups, whose ideals and principles would revolve around the programs of the Radical Liberal Party.

The text of the document, which is signed by Francisco Servian Ovelar and Percio Franco for the PLU and by German Acosta Caballero and Ramon Lezcano Torres for the PLR, states: "The PLR and the PLU have achieved total agreement, having decided to unite both political parties around the principles of the PLR."

A high-ranking PLR leader yesterday stated: "This is the best answer to our detractors. With the ratification of the unity of our parties the people become well aware of the sound intentions which motivate the policy of the PLR board. This is only the beginning of actions planned by this board. The merger of the PLU and the PLR is undoubtedly an important event within the board of our party and within the national political framework as well."

FEBRERISTA YOUTH GROUP ISSUES COMMUNIQUE

PY151720 Asuncion ABC COLOR in Spanish 14 Jan 79 p 11 PY

[Text] The youth group of the Febrerista Revolutionary Party (PRF) released a communique yesterday exhorting the people to become part of a new political awareness aimed at the "installation of a new democratic regime" in view of the forthcoming final ratification of the national accord.

The communique also repudiates the attack made on Constantino Coronel in Santa Rosa, Misiones Department, and denounces the police surveillance imposed on him at the university hospital, where he is recovering.

It also requested that officials identify the people responsible for the attack against Coronel.

VIETNAMESE REFUGEES WILL NOT BE ACCEPTED

PY161901 Asuncion ABC COLOR in Spanish 16 Jan 79 p 12 PY

[Text] "No, I can categorically state that the Vietnamese will not be accepted by Paraguay for strictly national reasons," Interior Minister Sabino Montanaro said yesterday in response to journalists' questions about a report published by foreign newspapers concerning the possibility of 1,000 refugees from South Vietnam being accepted by Paraguay.

The interior minister commented that the reports in question are mere speculations. In the meantime it became known that Japanese priests had arrived in Asuncion to discuss the decision of the Paraguayan Government.

The refugees are meeting the refusal of a number of Asian countries which have not allowed their entry so far. Now, with the statement of a top-ranking local government official, the possibility of some of them settling in our country has been totally discarded.

SALVADORAN PRESIDENT ROMERO ARRIVES ON OFFICIAL VISIT

PA181759 Buenos Aires LATIN in Spanish 1727 GMT 18 Jan 79 PA

[Text] Mexico City, 18 Jan (LATIN)--Salvadoran President Gen Carlos Humberto Romero arrived here today for an official 2-day visit. Romero arrived with his wife and children on board a TACA [Central American Air Transport] airline commercial aircraft.

Visit Protested

PA181853 Madrid EFE in Spanish 1800 GMT 18 Jan 79 PA

[Text] Mexico City, 18 Jan (EFE)--Several leftwing political and civic organizations and unions today expressed their "repudiation" of Salvadoran President Gen Carlos Humberto Romero's visit. A note published in several newspapers described the president as "the main culprit in repression of the popular movement" in El Salvador. The note, signed by the Mexican Communist Party, the Movement for the Workers' Revolutionary Party, several university unions and a number of other groups, defended "the Salvadoran people's right to build a fatherland free of imperialist interference and...oligarchies." In a separate advertisement, the Mexican Committee for Human Rights in El Salvador demanded repeal of the Law for the Defense and Guarantee of Public Order as well as a general amnesty and "an end to the repressive conditions" prevalent in that Central American country. The committee accused General Romero of the massacres carried out against whole Salvadoran towns, of intervening militarily in Nicaragua in support of Gen Anastasio Somoza and of receiving moral and economic aid from the United States.

U.S. PRESSURE ON OIL TO BE RESISTED BY GOVERNMENT

PA190035 Paris AFP in Spanish 2252 GMT 18 Jan 79 PA

[Text] Mexico, 18 Jan (AFP)--Mexico will not accept any U.S. pressure on petroleum matters during President Jimmy Carter's visit to this country, two secretaries of state said today. Foreign Secretary Santiago Roel said that "we must not fear any U.S. pressure" and added that "Mexico is strong enough to decide its own destiny." He reasserted President Lopez-Portillo's statements that "Mexico does not want preferential treatment. We want trade and not help. We want just, balanced and dignified treatment." He said that "the country does not aspire to leadership. It wants to be its own and not a Latin American leader."

Patrimony and Industrial Development Secretary Andres de Oteyza said: "We will not allow anyone to pressure us. We are going to produce to the extent that it benefits us and use petroleum to serve national interests." The statements made by the two secretaries of state coincided with press items announcing that Carter will pressure Mexico to increase its daily petroleum production in order to meet U.S. fuel needs. Jimmy Carter will visit Mexico in February and the main topic of discussion with Lopez-Portillo will be the purchase of Mexican hydrocarbons by the United States.

The newspaper EL SOL DE MEXICO says that the statements of the two secretaries of state, close collaborators with the president, come at a time when the United States has announced a discriminatory policy toward undocumented Mexicans working in North America. According to local political circles, the United States also wants to impose a treaty on undocumented workers which is not acceptable to Mexican officials. Observers believe that the statements by the two Lopez-Portillo Cabinet members have been warnings to the U.S. Government. Observers also believe that it is a matter of making it clear that pressures exerted against illegal Mexican workers in the United States will not compel the Lopez-Portillo administration to accept U.S. proposals.

ASSEMBLY PRESIDENT, POLICE GIVE VERSIONS OF ARREST INCIDENT

PA181639 Panama City MATUTINO in Spanish 18 Jan 79 pp 1-A, 10-A PA

[Excerpt] "A vigorous protest over the disrespectful and irreverent attitude displayed by the Canal Zone police toward the president of the National Assembly of Corregimiento Representatives" was voiced by members of the Board of Directors of the top representative organization of the Panamanian people's government in a resolution in which they note the offenses, acts of provocation and human rights violations to which the Honorable Representative Victor Corrales Nunez was subjected on Tuesday night.

The leadership of the assembly and the National Legislation Council also sent a note to the Foreign Ministry yesterday afternoon explaining the incident and requesting that the pertinent measures be taken.

Summons to a Meeting

The secretary general of the national assembly of representatives and the National Legislation Council, in view of these events and at the request of a large number of legislators, invites the honorable representatives-legislators throughout the country to attend a meeting today, Thursday, at 1400 in the Blue Room of the Justo Arosemena Palace to consider the violation of the human rights of the president of both organizations.

The Facts

Victor Corrales Nunez, president of the assembly and the legislation council, said yesterday afternoon: "After I left my car parked at the Balboa Post Office for some 5 or 10 minutes, in a site where two other cars were already parked, I returned to my vehicle, where I had left my children. He said that as he was about to leave, he noticed one of the children pick up a paper with which they had been playing and to which he had paid no attention. As he was pulling out, however, there was violent knocking on his car window, and he was asked to show his license. Corrales looked through all his identification cards, but could not find his driver's license. Since he did not have it in hand, he said that he presented other documents, including a temporary driver's permit, but the policeman paid no attention to any of them, and instead told Corrales that he was under arrest, and that he should get into the patrol car. The president of the assembly noted that he naturally objected to this vigorously, stating also that he was with his children. He then presented his card identifying him as president of the assembly.

The policeman disregarded this, deciding that Corrales should go in his own automobile, guarded by another policeman, while the patrol car followed.

At the court the policeman accused Corrales of the traffic violation, of resisting arrest and of having thrown the ticket in the policeman's face. When he denied all these charges, he was summarily found guilty, but prior to this he was stripped, being ordered to remove all his clothing below the belt, and his pockets, the seams of his pants, his socks and anything which the policemen considered to be dangerous were carefully searched.

He was sent to jail, and 10 minutes later a sheet was brought to him.

Corrales Nunez said that after he had been in jail for some 2 hours, a liaison officer for civil affairs between Panama and the United States arrived, and after talking with him and learning of the situation, he gave explanations, although Corrales was asked to sign certain documents, which he vigorously refused to do. Finally, his belongings were returned, apologies were made and he was permitted to leave.

The Fine

According to the honorable representative, the fine was only \$2, and the bail was approximately \$25. The serious thing is the offense, he said.

Photographers Are Threatened

Corrales Nunez added that the policemen also objected to having pictures taken of him, threatening to arrest Achurra and another photographer. I objected to this and requested that they allow all photos or that they again place me under arrest.

Receives Invitation

As he was making these statements, the president of the national assembly of representatives received an invitation from the U.S. ambassador and his wife to attend a social event. On receiving the note, Corrales Nunez smiled and said that he would consider it carefully.

Canal Zone Police Version

The incident occurred after the auto was parked and a ticket for overtime parking was placed on Mr Corrales' car and on several others in the Stevens Circle area. The officer noted that when the parking ticket was taken from the windshield, it was crushed and thrown to the ground. Mr Corrales was unable to present a driver's license and refused to accept the traffic citation, upon which he was taken to the Balboa police station, where he again refused to pay the bond or sign the violation. Mr Corrales left the police station at 2235. No charges were filed against him.

REPRESENTATIVES PROTEST ASSEMBLY PRESIDENT'S ARREST

PA181555 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Jan 79 pp 1, 24 PA

[Text] The National Assembly of Corregimiento Representatives protested yesterday what it described as the "disrespectful attitude of the police serving in the Canal Zone and the irreverence and lack of respect" shown in arresting Victor Corrales Nunez, president of the assembly and the National Legislation Council.

Corrales Nunez was arrested the day before yesterday while he was in the Balboa club house after an argument with a Canal Zone policeman who gave him a ticket for allegedly violating traffic regulations. As a result of the discussion, Corrales was arrested and finally released by orders of U.S. Attorney in the Panama Canal Zone Frank Violanti.

The following is the assembly's protest resolution, which is signed by the 10 vice presidents of that chamber and by Secretary General Carlos Calzadilla:

Resolution 1 (of 17 January 1979)

By which a strong protest is made over the disrespectful attitude of the police serving in the Canal Zone and for the irreverence and lack of respect shown the president of the National Assembly of Corregimiento Representatives and the National Legislation Council.

The Directive Board of the National Assembly of Corregimiento Representatives, considering:

That on the evening of 16 January of the present year, Honorable Representative Victor Corrales Nunez, president of the National Assembly of Corregimiento Representatives and the National Legislation Council, was abused by the Canal Zone police without taking into consideration his high investiture;

That in recent months it has been the fashion among certain Canal Zone authorities to carry out provocations against Panamanian citizens going through that sector;

That any action which violates human rights is repulsive and openly contradicts President Carter's policy regarding such rights; and

That because of his status as president of the National Assembly of Corregimiento Representatives, Honorable Representative Victor Corrales Nunez deserves the respect and consideration of all those who live in the Republic of Panama, resolves:

1. To protest strongly the disrespectful attitude of the police serving in the Canal Zone and the irreverence and lack of respect shown to the president of the National Assembly of Corregimiento Representatives and the National Legislation Council;
2. To send a copy of this resolution to all social communications media in order to put on record the repudiation we Panamanians feel over this attack on the dignity of Honorable Representative V. Corrales Nunez, president of the National Assembly of Corregimiento Representatives.

Issued in the city of Panama on the 17th day of January 1979.

Honorable Representative Martin Abrego, vice president of the assembly for Bocas del Toro Province

H.R. Blas Celis, vice president of the assembly for Colon Province

H.R. Antonina Ramos, vice president of the assembly for Darien Province

H.R. Dimas Alonso, vice president of the assembly for Los Santos Province

H.R. Albis Diaz, vice president of the assembly for Veraguas Province

H.R. Jose Ma. Anino, vice president of the assembly for Cocle Province

H.R. Virgilio Rios, vice president of the assembly for Chiriqui Province

H.R. Juan A. Barba, vice president of the assembly for Herrera Province

H.R. Harmodio Estribi, vice president of the assembly for Panama Province

H.R. Ruben Perez Kantule, vice president of the assembly for San Blas Territory

Carlos Calzadilla G., secretary general of the National Assembly of Corregimiento Representatives

CANAL PILOTS OFFER COOPERATION TO NATIONAL GOVERNMENT

PA181703 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Jan pp 1, 24 PA

[Letter from Panama Canal Professional Pilots Association dated 12 January to President Aristides Royo]

[Text] Your Excellency
President of the Republic of Panama
Dr Aristides Royo
Presidential Palace,
Panama, Republic of Panama

Dear President Royo:

On being appointed to represent the Panama Canal pilots for the current year, I wish to express to you and the Government of the Republic of Panama our sincere wishes for a prosperous and productive new year.

The new Panama Canal treaty which will be implemented this year establishes a new relationship between the United States and the Republic of Panama. The service rendered by the Panama Canal remains a main factor of world attention regarding the Republic of Panama. The members of the professional pilots association, who are central to the operation of the canal and responsible for the safe and efficient navigation of all ships going through the canal, offer our cooperation for the current year. The pilots association will do everything possible to maintain the high quality of our service and guarantee that the operation of the canal will be carried out professionally so that the canal remains a source of pride for Panama.

The quality of the canal operation is based on the professional attitude of the canal pilots, and we welcome all Panamanians qualified for this profession. The most intelligent and best Panamanians who are planning to attend or who are currently attending universities should plan their future around a profession connected to the Panama Canal organization and the pilots' profession and stop pursuing traditional professions.

The Panama Canal Professional Pilots Association hopes to maintain beneficial relations with you and your government during 1979.

Respectfully,

Capt Norman A. Werner, president

COMMENTATOR DISLIKES RIO HATO BASE OPERATIONS

PA181512 Panama City Radio Hogar in Spanish 1230 GMT 17 Jan 79 PA

[Commentary by Milciades A. Ortiz from the "Radioperiodico Conciencia" program]

[Text] I do not like it at all that the Rio Hato base, recovered by virtue of the pressure by the Panamanian people who even went out into the streets in 1947 to shed their blood, is now being used once again to shelter U.S. soldiers in joint training with the Panamanian National Guard. I feel that Panama does not need to spend so much money on keeping military bases because we are a peaceful country.

I insist the Panamanian people should recover the Rio Hato base, but not for it to continue being a military base; it should become a recreational and production site for the benefit of the Panamanian people. Therefore, I insist Rio Hato be returned to the Panamanian people, who shed their blood to recover it, so that our people can enjoy the beaches and other tourist advantages.

Let us turn Rio Hato into a beautiful tourist complex for all Panamanians, particularly those on small incomes. The Social Security Institute and the Panamanian Tourism Bureau should do something about this. Rio Hato should be for the enjoyment of the Panamanians, and not a military base.

FREED SANDINISTS 'RESTING' AT TINAJITA EN ROUTE TO CUBA

Sandinists' Arrival, Comments Reported

PA181400 Panama City STAR AND HERALD in English 18 Jan 79 pp 1, 9 PA

[Excerpt] Forty-nine young members of the Sandinista National Liberation Front who arrived in Panama Tuesday aboard a Panama Air Force (FAP) craft were last night said to be "resting up" at the National Guard headquarters in Tinajita.

The Nicaraguan Guerrillas, most of them under 20 and including four women, were held under arrest the past four months by military authorities in Honduras after infiltrating into that territory from Nicaragua.

Their release was ordered following arrangements by the Panamanian Government, which gave assurance of offering them asylum.

"Our gesture was simply a humanitarian one, without political strings attached," said Panamanian Ambassador to Honduras David Pere at an airport interview shortly after the guerrillas were airborne.

"It is a clear demonstration of the good relations existing between Honduras and Panama," he added.

Immediately upon their arrival at Tocumen International Airport, the guerrillas were transferred by bus to the National Guard headquarters at Tinajita as political exiles, pending further transfer to other countries.

On setting foot at Tocumen, a spokesman expressed the group's gratitude to the Panamanian Government for contributing to their freedom:

"We owe our freedom to a humanitarian act on the part of the Panamanian Government before the Honduran Government, where we had been detained for the past four months," he said, adding that while being held at the 11th Infantry Battalion headquarters at Choluteca, south of the republic, they received good treatment from the military.

When asked about their future plans, the spokesman said: "Our people continue to fight for their freedom in Nicaragua."

Sandinists To Go to Cuba

PA182252 Panama City LA REPUBLICA in Spanish 17 Jan 79 pp 1A, 8A PA

[Text] Efforts by the Panamanian Government have permitted the transfer from Honduras to Cuba of some 200 Nicaraguans, mostly youths and several women, who oppose Gen Anastasio Somoza's government, an official source revealed today.

A new group of 64 Nicaraguan youths arrived in Panama City yesterday en route to Cuba, which has granted them political asylum.

Our source indicated that the Nicaraguans, sympathizers of the Sandinist movement, had been detained in Honduras when they fled the repression of the Somoza government. With the granting of political asylum by the Havana government, Panama participated in the operation to facilitate the transfer of the Nicaraguans to the Cuban capital.

In Tegucigalpa, Panamanian Ambassador David Pere said that "this action of the Panamanian Government is based solely on humanitarian reasons, without ulterior political motives. It is a demonstration of the good relations between Honduras and Panama."

DEMONSTRATORS PROTEST RECENT ATTACKS ON CUBAN EMBASSY

PA180402 Panama City ACAN in Spanish 0105 GMT 18 Jan 79 PA

[Text] Panama City, 17 Jan (ACAN-EFE)--Over 1,000 workers, peasants and students today held a protest demonstration against the recent attacks on the Cuban Embassy in this city and in support of the establishment of relations between Panama and the Soviet Union.

The demonstration took place in front of the Cuban Embassy and was in reply to the anticommunist "God and Panama" group which recently picketed this embassy and protested its presence in this country. The anticommunist movement also rejected any attempts by the Panamanian Government to establish relations with Russia.

In today's demonstration, labor union, student, peasant and civic leaders repudiated the anticommunist movement, which they branded as fascist. They also expressed their approval of Panama's relations with Cuba and the Soviet Union [as received] as proof of its political and diplomatic independence.

POPULAR FORCES TO FORM ANTIFASCIST STRUGGLE COMMITTEE

PA160157 Panama City Domestic Service in Spanish 2230 GMT 15 Jan 79 PA

[Text] Panamanian popular organizations have agreed to create an antifascist struggle committee which will include all democratic, anti-imperialistic and revolutionary forces in the country.

UNIDENTIFIED PERSONS FIRE AT PANAMA MAYOR'S VEHICLE

PA182011 Panama City Circuito RPC Television in Spanish 1800 GMT 18 Jan 79 PA

[Text] At 2350 last night three shots were fired at the official vehicle of Panama District Mayor Dr Roberto Velasquez from a vehicle occupied by several persons. At the time of the attack, the mayor was at home and the official vehicle which he uses was parked outside his home in the Obarrio residential district.

The authorities have initiated an investigation and are on the trail of those responsible for the attack on the automobile of the top authority of the capital district.

An official communique issued by the mayor's office indicates that the action is presumed to be an attempt to intimidate Mayor Velasquez because of his firm position on enforcing municipal laws and regulations. The mayor added that this action will not intimidate the municipal administration, headed by Dr Roberto Velasquez, who reiterated that he will continue to do his duty vigorously to achieve the moralization of the capital district for the benefit of the community in general. [sentence as heard]

COLUMNIST NOTES LATEST CHANGES IN RADIO STATIONS

PA171630 Panama City MATUTINO in Spanish 17 Jan 79 p 6-A PA

[From "Alto Voltaje" column.]

[Text] Surprisingly, Alberto Quiros Guardia has purchased the KW Continente Network when everyone thought that the Cardenases had sold it to our friend Rodrigo Correa. Betito arrived with cash in hand. Our congratulations, Canita.

[Miguel Antonio] Bernal is forgetting about his examinations at the university while replacing Luis Pimentel on Radio Hogar, the most politicized religious radio station in Panama. Ayala of the Government and Justice [Ministry] should explain whether or not he has given Bernal a license. He has obscured [Hogar commentator] Tonin Cabezas.

COSTA RICA

U.S. FISHING VESSELS SEIZED; GOVERNMENT ISSUES COMMUNIQUE

Vessels Seized in Territorial Waters

PA181926 San Jose Radio Reloj in Spanish 1730 GMT 18 Jan 79 PA

[Text] Costa Rican patrol boats have captured three U.S. fishing vessels. The three ships were captured at 0330 this morning. The ships are the 1400-ton El Caribe, the 600-ton Sea Fox and the Uncle Louie, a 1500-ton ship.

Patrol boats 406, 407 and 408 captured the vessels when they were 140 miles off Punta Leona. One of the fishing vessels has a helicopter platform with a helicopter on board.

Public security officials have left for Punta Arenas, where the three U.S. vessels seized in Costa Rican waters will soon be arriving.

In Mexico a meeting is underway to conclude a treaty guaranteeing sovereignty over 200 nautical miles and establishing regulations on tuna fishing. The U.S. vessels were fishing for tuna in our waters.

The best time for tuna fishing has arrived, and efforts to capture this fish are beginning. Now three U.S. fishing vessels have been seized by our patrol boats.

Communique Issued on U.S. Vessels

PA190405 San Jose Radio Reloj in Spanish 0100 GMT 19 Jan 79 PA

[Text] When today's capture of three tuna ships with U.S. flags was officially reported, the Costa Rican Government noted that this action falls within its new nationalist policy. The communique adds that Costa Rica's executive branch is willing to command respect for national sovereignty firmly and without much ado and wherever it is trampled upon. It recalls that the capture of the three pirate tuna trawlers, which are in the bay at Punta Arenas Port on the Pacific, is in line with what the president has announced on several occasions.

According to the report, Carazo opportunely informed the countries which have fishing fleets that our country will uphold its rights over the patrimonial and territorial seas of our country. The communique of the government house also recalls Carazo's warning in July 1978 when he announced the defense of Costa Rica's jurisdictional waters. We do not want the might or economic power of other countries, unjust treaties or any other factor to prevent our legitimate enjoyment and ownership of marine resources, the president said on that occasion.

Meanwhile, the Foreign Ministry remained silent over whether the U.S. Embassy in San Jose has made any efforts to secure the release of the detained vessels, aboard which sailors of several nationalities, including one Costa Rican, are traveling.

CACM Resolution No 2.79 of the economy ministers meeting states that, without detriment to the provision of Point 4 of Agreement 16 of the Central American economy ministers meeting, it has been decided to proceed with the examination of the request presented by the Costa Rican Government regarding the modification of the import taxes and the suppression of the economic stabilization tax on the products which are included in the attached list. That list is already well known to all Costa Ricans since it has been well publicized during the past few days in all media. For this purpose, the following procedure was established: A meeting of vice ministers of economy is to be held within the last 10 days of January to make recommendations to the meeting of economy ministers, which should be held within 30 days beginning on this date.

Therefore, Costa Ricans, our position was well received and was immediately submitted for study for a period not to exceed 30 days.

Another resolution, No 1.79, of the Central American economy ministers meeting declared the fifth special meeting of Central American economy ministers to be permanent. It will have the periods of sessions which are necessary to deal with the following matters: A) problems related to the present situation in CACM in order to preserve the orderly and continuous operation of free trade in the area; B) establishing the bases of a program for restructuring and functioning of the Common Market, a task that should be initiated as soon as possible; and C) it is understood that during those sessions interim resolutions may be adopted as needed and as they bear on the matters which we have mentioned.

Costa Ricans will understand that the fact that the ministers agreed so immediately, so warmly and with so much interest is due to the fact that Costa Rica participates in the CACM as a first-class client which should therefore be heeded by the other countries and by the industrialized countries.

Our economy minister has held meetings with the sectors involved in the countries in reference, and Costa Rica's efforts have been well received at all times. I wish to mention here in a very special manner that the minutes of the special meeting of economy ministers included the following as a basic point:

Regarding Point 3 of the previous declaration and in order to insure safe transit of Costa Rican vehicles through Nicaraguan territory, there was a consensus that the use of guards could serve this purpose. In this regard, the Nicaraguan minister agreed to do what was necessary to implement the system of guards for transporters transiting Nicaraguan territory with the understanding that the tariff would not be other than that usually applied in his country.

As can be seen from a reading of the resolutions, the meeting was a success. Those who asked themselves what would happen to the Common Market can find the answer there. Costa Rica completely supported the agreements reached among the member countries of the Common Market. Nothing has happened, and we continue to hope to increasingly promote the Costa Rican farmer and, above all, to avoid the constant trips by Costa Ricans abroad. Consequently, then, the Common Market still stands and the measures which we announced on 5 January will be intensively pursued in order to achieve their implementation as soon as possible.

This is the other question presented by the Costa Ricans which I shall answer tonight: When will the measures go into effect?

I remember that I said that the measures included the organization of a human resources commission which would be responsible for deciding when acceptable public employees were available and when they could not [as heard] be appointed by the different government ministries or agencies, all for the purpose of guaranteeing a savings [una economia]. The decree which guarantees the implementation of this provision is No 9,476.

More on Tuna Trawlers

PA190406 San Jose Radio Reloj in Spanish 0100 GMT 19 Jan 79 PA

[William Cespedes report]

[Excerpts] Public security patrol boats Nos 406, 407 and 408 have captured two U.S. flagships, the Sea Fox and Uncle Louie, and one with a Curazao flag, El Caribe. The initial reports released by the government, according to which the vessels were captured at 0300, were denied by the crewmembers, who have given assurances that El Caribe was captured at 0015 and that they were not fishing then because of the international guideline that tuna trawlers cannot fish at night. Therefore, they say the capture was unjustified. They also said that they were not within the 200-mile [limit], and that they had not been fishing for 4 days.

The three vessels were brought to the bay at Punta Arenas Port so that the officials can make a report. They are still at the port. The crewmembers and captains are firmly maintaining that they did not commit any crime because they were not caught fishing since they were anchored in the high seas at that late hour. They have given assurances that the patrol boats arrived without warning and directed machinegun fire at the bow of the ship [as heard], which is against international naval regulations.

CARAZO SPEAKS ON AUSTERITY MEASURES, CACM MEETING

PA161500 San Jose Domestic Service in Spanish 0215 GMT 16 Jan 79 PA

[Speech to the nation by Costa Rican President Rodrigo Carazo, place not given--presumably live]

[Excerpts] Good evening, Costa Ricans. Ten days ago, on 5 January, I addressed you to explain some details of the government's program of economic development, fiscal austerity and monetary policies for 1979. On that occasion, I said that the measures would be applied immediately. Logically, a number of persons who wanted to know about the scope and effects of the measures proposed by the government asked various questions that I am going to summarize and will answer so that the government's objectives will be clear and the Costa Rican people will be well informed. These questions were the following: 1) What will happen to the Central American Common Market [CACM] as a result of the measures applied by the government? 2) When do those measures go into effect? 3) How will the consumer benefit from those measures? 4) What do merchants do if they already paid taxes on products that have not been sold and therefore will sustain a loss from the decrease in taxes? 5) How will agricultural products be affected by the government measures?

The answers can be very briefly explained. I will try to do this tonight. The economy and finance ministers and other government officials will be giving more details to the Costa Ricans.

The first question, dealing with the CACM, can be clearly answered as a result of the economy ministers meeting in Guatemala over the weekend. Costa Rica's position was explained seriously and firmly at the meeting. The problem was analyzed in accordance with the agenda that we suggested. I explained that agenda to the Costa Ricans in my 5 January speech. Our proposal was studied and analyzed. The result has been very marked optimism on our part and that of the other member countries of the CACM because our position received a great reception. At the same time that a study was being made of Costa Rica's aspirations for a decrease in the customs duties and tariffs on the articles included in the plan of immediate reduction of prices, there was discussion of the CACM problems in Nicaragua and the problems of the transporters in the aforementioned country.

I also told the Costa Rican people that there would be no practical application of unjustified wages and [words indistinct]. Decree No 9,485, like the previous one, is also duly signed. I also said a great amount of funds would be [word indistinct]. I also said immediately in [word indistinct] of the taxes which, without affecting the Common Market, affect those articles. Decree No 9,486 has also been signed by the finance minister and myself.

On 5 January [words indistinct] that there were going to be limitations on the profits of the merchants who deal in these articles. The decree carries No 9,487 [word indistinct].

When will these measures enter into effect? They enter into effect as of today because the official GAZETTE of 15 January of 1979 publishes the above-mentioned decrees. Consequently, everything we mentioned the previous week enters into effect as of this moment without exception since the elimination of surcharges was also approved by the Central Bank of Costa Rica through its Board of Directors.

The only things pending are the modifications of three tariffs which are contemplated in a bill that we will send to the Legislative Assembly on Monday to be discussed. I am sure that the honorable deputies, in view of their positive attitude toward the welfare of Costa Rica, will approve them as soon as possible.

How will the consumer benefit from the government measures? I answer as follows: I point out that price lists were not published in the last 2 years; that each Costa Rican was subjected to the arbitrary commercial decision [words indistinct].

As I announced on 5 January, the price lists were published and, as of that moment, we all knew the exact price of each of those articles. With the publication of the price lists, we can now effectively apply the consumer defense law.

The Economy and Finance Ministry, in order to inform consumers, announced through the national media that, for the knowledge of the consumer and the general public, on 5 January it had published in all the nation's media the official price lists so that the consumers learned the ceiling prices of staples and thus could avoid any speculation. The merchants must place these lists where buyers can see them.

The new price lists [words indistinct]. In some cases, such prices have been reduced. The official lists must be respected by the commercial and industrial sectors. Consumers must bring to the attention of the Economy Ministry any violation of these lists. Thus, the relationship among consumers, producers and merchants is hereby clearly established. The economy minister assured us that the new government officials entrusted with these controls will have direct responsibility for maintaining justice and avoiding abuses for the benefit of the consumer.

I wish to make a comment concerning profit margins for commerce which, as I said before, had been in effect since 9 October 1950. That disposition, after publishing a list regulating ceiling profit margins, concluded by pointing out that articles not included in the list would be classified with a 30-percent ceiling margin for the wholesaler and a similar ceiling margin for the retailer. In the decree published today, 15 January 1979, we rule that such margins are reduced to 20 and 30 percent, instead of 30 and 30, which represents a savings of 13 percent on thousands of articles that will directly benefit the consumer.

The last question that Costa Ricans are asking themselves is: What does a businessman do if he has already paid the taxes that are now being eliminated?

The government has already answered this very clearly and the press has published this answer: The government will return the taxes paid by businessmen in accordance with a formula that has also been published in advertisements paid for by the Finance Ministry. Under the formula certain offices of that ministry are assigned to return or credit those taxes so long as certain requirements are met. Certain documents must be (?approved) or signed by a notary or by an authorized public accountant. That way, consumers will not waste any time and businessmen will not lose any money since adequate steps are being taken to credit this immediately to the businessmen.

There is no danger then that injustices might be committed. On the contrary, I would suggest to small distributors, particularly in the country's smaller towns, that they get in touch with their wholesale distributors and return in time those items which would otherwise be included in the inventory of the groups that will later receive the credit for the tax now being eliminated. This credit represents a considerable sum, as you have already seen from previous examples.

Costa Ricans, the measures are meant to benefit agricultural production but are also aimed at making it possible for everyone to buy, hopefully right away. (?In time some will see) items that have been restricted to a very limited number of people. (?We have seen) how, as the country grew, people who had the ability to pay have gone to neighboring countries to buy items that represent an improvement of their living conditions.

Now, in making these government decisions, we feel pleased because this is the result of a policy of fiscal sacrifice on behalf of the country's social and economic development. We have implemented this measure in connection with a large number of items. We have implemented it, as I explained earlier tonight, in connection with fundamental government policies. [Words indistinct] that Costa Ricans must make fiscal sacrifices, that the Costa Rican Government must receive less money in order to promote a forestry [words indistinct] guaranteeing the well-being of the future generations and in order to promote a banana-producing activity that will provide us with the currency we need soon in order to continue growing in an accelerated fashion. At the same time, this fiscal sacrifice should directly stimulate all farmers and should represent a formula by which the quality of life is improved for Costa Ricans.

There is one more question I must answer for the citizens in connection with the statements made by your servant regarding the implementation of the government provisions to which I have referred tonight. The question is: What will happen to the agricultural production that will benefit so substantially from the reduction of costs as a result of the reductions which we have seen in detail tonight and which will become visible to the farmers soon?

The government's answer is categorical: In Costa Rica incentives for the farmer are needed. The country's agricultural sectors are subjected to the greatest risks and face the greatest anxieties, more difficulties and experience poverty the most. Great sectors of the peasant population of Costa Rica share the hope of all Costa Ricans of being able to eat that which we need to survive and to progress on the basis of the increase in agricultural production. We will give them this stimulus. By setting the basis for achieving efficient production through reasonable prices for the articles used in farming, we will thereby be setting the bases for a reduction in the future.

I do not believe that anyone is right in declaring war on the peasant when he seeks a reduction in prices because the Costa Rican peasant has no vacations, no insurance or any of the many advantages available to those of us who live in the city. If there is anyone who wants to see the peasants submerged in poverty, who instead of waiting until the incentives give the expected results goes ahead to take action against them, it will not be the government; it will not be me. On the contrary, I will be the defender of the Costa Rican farmers because I feel that the well-being of the fatherland depends on them.

Costa Ricans, we in government are determined to implement austerity measures. We have wished to transmit to Costa Ricans a firm attitude of not increasing prices because we cannot continue the spiral in wages and prices which has been so injurious to our economy.

We wish to accomplish for the citizens of this country--all of them--a reduction in the cost of living. Thousands upon thousands of articles will be sold at lower prices in the months to come in view of the reduction of the profit margins decreed by the executive branch. Hundreds of articles will be considerably reduced in price, as I have indicated by giving examples tonight. The reduction of the price of these articles improves the well-being of the middle class and the working class. An opportunity is created for this generation for more jobs in agriculture and commerce, which will undoubtedly benefit from the process of intensification if we establish concrete bases for social and economic improvement.

The government will continue to pursue its austerity plan. I am happy to tell you that at the same time the central government has taken all steps and measures necessary to produce a savings between 800 million to 1 billion colones, which we announced previously on 5 January, autonomous institutions such as the Costa Rican Social Security Fund and others have taken on the task of bringing about well-being for all Costa Ricans by means of austerity, economy and order.

We have said very often that we will have order in Costa Rica. We are achieving this, and we believe that all men of good will should give those of us who are governing sufficient time for the measures which we are applying to produce results.

I understand that there are political interests; I understand that there are those who make an uproar over measures which they do not understand or those who are accustomed to traditional political rules. But when measures that are revolutionary--which change the scheme of things--are applied by a government which seeks the benefit of all the people, a government which has come to office without commitments to any sector and which therefore acts for the benefit of the majority of the population without any links to any private interest, we deserve patience. We deserve consideration until the results of these measures can be seen. None of these measures has been taken for personal benefit and none for the benefit of a group. They have all been taken for the benefit of the people of Costa Rica, the country which belongs to us all.

EL SALVADOR

PRESIDENT COMMENTS ON UPCOMING TRIP TO MEXICO

PA181409 Mexico City International Service in Spanish 0400 GMT 18 Jan 79 PA

[Interview with Salvadoran President Carlos Humberto Romero by special correspondent Jose Cardenas, presumably in El Salvador; date not given--recorded]

[Excerpt] [Question] Mr President, what is the main purpose of your visit to our country?

[Answer] The main objective of my visit to the United States of Mexico is to reaffirm the ties of friendship and affection which link the two countries.

[Question] What will be the main topics of your talks with Mexican President Jose Lopez-Portillo?

[Answer] First of all, we will discuss the economic cooperation agreement between the governments of Mexico and El Salvador. Later, we will analyze a detailed report on preparatory efforts and measures already adopted by the joint high-level Mexican-Salvadoran Economic Cooperation Commission. Afterward, we will sign a joint communique that will summarize the cooperation agreement and the first report submitted by the joint commission. Finally, we will discuss other matters related to industrial progress and marketing, the core of economic relations between our two countries.

[Question] Do those industrial matters include the purchase of oil by the Salvadoran Government?

[Answer] That is one of the most important topics which I am going to discuss and analyze with President Lopez-Portillo--the possibility of purchasing oil and oil byproducts--since we know that the latest deposits discovered in Mexico have increased that country's potential reserves and that Mexico may be able to supply us with crude and also byproducts as it did before--products which we need for our country's development.

[Question] Will gas be included in the negotiations?

[Answer] I will definitely try to discuss this with him because a large quantity of gas is consumed here; therefore, we must also consider the possibility of obtaining gas from Mexico.

BRIEFS

EQUINE ENCEPHALITIS--The Agriculture and Livestock Ministry has urged the citizenry to immediately report to the General Livestock Office any outbreak or occurrence of Venezuelan equine encephalitis. The ministry indicated that there has recently been an epidemic of the disease among horses. [San Salvador LA PRENSA GRAFICA in Spanish 13 Jan 79 p 31 PA]

GUATEMALA

PERALTA AZURDIA 'UNEXPECTEDLY' RETURNS TO COUNTRY

PA190222 Panama City ACAN in Spanish 2316 GMT 18 Jan 79 PA

[Text] Guatemala City, 18 Jan (ACAN-EFE)--Col Enrique Peralta Azurdia, defeated presidential candidate of the anticommunist National Liberation Movement, unexpectedly arrived here today. Peralta Azurdia, 70, who ruled the country from 1963 to 1966 after overthrowing President Miguel Ydigoras Fuentes, whom he served as defense minister, left his voluntary exile in Miami to attend the celebration here of the legal recognition of his own party, the National Unity Front (FUN). The former ruler was welcomed by hundreds of his supporters at La Aurora airport. He then left for a private residence amid security measures.

Peralta Azurdia refuses to accept his defeat in the last presidential elections. There was no absolute majority in the elections and the National Congress awarded the victory to Gen Romeo Lucas of the Revolutionary Party-Democratic Institutional Party coalition. According to his supporters, Colonel Peralta is "alert" and ready to return to national politics when the country needs him. They added that he will again be nominated as a presidential candidate for the 1982 elections.

NICARAGUA

UNIONS CALL STRIKE OVER LABOR LEADER'S ASSASSINATION

PA190300 Panama City ACAN in Spanish 0114 GMT 19 Jan 79 PA

[By Eduardo Romero]

[Text] Managua, 18 Jan (ACAN-EFE)--Otto Kersten, leader of the International Confederation of Free Trade Unions (CIOLS), headquartered in the United States, has expressed to the Nicaraguan labor movement his condolences and protest over the 9 January assassination of labor leader Luis Medrano Flores. In the cable sent to the Confederation for Unity of Trade Unions (CUS) in Managua, the CIOLS official reported that the crime has been denounced before the UN secretary general and the International Labor Organization director general. In its message, the international confederation demanded that the Gen Anastasio Somoza government solve the crime and punish those responsible for it.

Meanwhile, the most important Nicaraguan labor confederations decided yesterday to call a general strike on 9 February, the first month anniversary of Luis Medrano Flores' death.

The dead leader was the secretary general of the democratic-leaning CUS. He was killed while distributing invitations to the 10 January commemoration of the assassination of opposition newsman and leader Pedro Joaquin Chamorro.

Mario Jose Perez Rodriguez, an auxiliary [as received] member of the National Guard who also goes by the name of Mario Rios Perez, shot Medrano Flores, who worked for the well-being of the Nicaraguan labor class. Perez Rodriguez confessed to the crime but the two alleged militarymen accompanying him have not been arrested by the Managua police. Eye-witnesses have said that one of them gave the order to kill Medrano Flores.

Nevertheless, a so-called people's army has taken credit in pamphlets for the death of the CUS leader and has threatened other union members and leaders of the Broad Opposition Front (FAO), whom they describe as communists.

Carlos Huembes, leader of the General Labor Confederation (CGT-independent), said today that his organization, along with the CUS and the Confederation of Nicaraguan Workers (CTN), are organizing the 9 February strike to protest the crime and to demand justice from the government. Huembes added that they will ask for the solidary support of the opposition political and popular organizations so that it will become a nationwide movement.

The Nicaraguan Development Institute (INDE), an organization of Nicaragua's private enterprise, has also expressed its protest and its determination to work for the peaceful and civilized solution of the country's political problems "so that actions such as Medrano's assassination will not be repeated."

19 REPORTED KILLED IN TERRORIST ACTS WITHIN LAST 24 HOURS

PA181652 Panama City ACAN in Spanish 1512 GMT 18 Jan 79 PA

[By Filadelfo Martinez]

[Text] Managua, 18 Jan (ACAN-EFE)--A total of 19 persons have been killed in Nicaragua in the last 24 hours, victims of the wave of subversion sweeping the country.

A report of the information office of the Nicaraguan Army says that troops loyal to Gen Anastasio Somoza clashed yesterday with Sandinist forces in northern Nicaragua. Thirteen rebels were killed. The clash took place at the site known as Las Mesas del Cacao, Segovia Department. One soldier was killed and two other National Guardsmen were injured. The National Guard also seized a significant amount of materiel including explosive booby traps. The military communique said that the rebels had entered Nicaragua from Honduras.

From another quarter, it is reported that armed men last night attacked the garrison of Catarina, a town situated about 30 km east of here, killing a member of the civilian reserve and an assistant of the local telegraph office. Following the attack on the military post, a military plane dropped flares in the surrounding area to facilitate the search for the rebels.

In Chinandega, in western Nicaragua, a street peddler who was an alleged government collaborator was shot dead by unidentified armed individuals who were wearing red and black kerchiefs (used by the Sandinist Front).

In the poor district of San Judas, in Managua, another progovernment individual identified as Leonidas Mendoza Granera was murdered while having breakfast by two armed youths, alleged Sandinist Front members.

Meanwhile, near Jinotega, a city in northern Nicaragua, a taxidriver who was a National Guard collaborator was killed yesterday afternoon by unidentified individuals.

It is also reported that armed men in National Guard uniforms have attacked at least 10 coffee farms in Carazo Department. Some of the attacks were carried out by individuals covering their faces with the red and black kerchiefs of the Sandinist Front.

MPU SAID ORGANIZING COMMITTEES FOR ASSASSINATION PURPOSES

PA190155 Managua Estacion X in Spanish 0030 GMT 19 Jan 79 PA

[Text] Reliable sources said today that the self-styled United Peoples Movement [MPU] is organizing in the capital, the districts and the departments groups which they have called civil defense committees. According to our sources, these groups are in charge of murdering innocent persons in their respective districts or municipalities. From now on, we are making these committees and the MPU responsible for every coldblooded murder committed against persons who do not share their unpatriotic ideas.

NEW MARXIST OPPOSITION GROUP SURFACES

PA180152 San Jose Radio Reloj in Spanish 0100 GMT 18 Jan 79 PA

[Text] A new group has emerged in Nicaragua. It is called the Anti-Somozist Peoples Militia [Milicias Populares Anti-Somocista]. Its slogan is: We shall overthrow Somoza by the force of arms. The group has Marxist-Leninist leanings and its only purpose is to overthrow Somoza by the force of arms. The new group announced its existence in a communique issued in Managua today.

FOREIGN MINISTER MALMIERCA CONTINUES YUGOSLAVIA VISIT

Speaks at Belgrade Dinner

FL181121 Havana Domestic Service in Spanish 1100 GMT 18 Jan 79 FL

[Excerpts] Cuban Foreign Minister Isidora Malmierca has arrived in Belgrade for a 3-day official visit to Yugoslavia.

The Yugoslav foreign secretary last night hosted a dinner in honor of his Cuban counterpart. Malmierca spoke to those present, expressing his conviction that the forthcoming nonaligned countries summit conference will mean the consolidation of the goals and nature of the movement. The Cuban foreign minister said he is convinced that the sixth summit conference in Havana will work to preserve the movement's unity on the basis of the struggle against imperialism, colonialism, neocolonialism and racism, including Zionism and apartheid.

Meets Yugoslav Vice President

FL182134 Havana Domestic Service in Spanish 2102 GMT 18 Jan 79 FL

[Text] Yugoslav Vice President Fadil Hodza today has received Cuban Foreign Minister Isidoro Malmierca, with whom he met to discuss the nonaligned countries movement and bilateral relations. In regards to nonaligned countries activities, special attention was paid to the upcoming summit of the heads of state and government which will be held in Cuba and the preparatory coordinating bureau meetings to be held in Maputo, Mozambique and Colombo, Sri Lanka. The Cuban foreign minister arrived in the Yugoslav capital for a 3-day official visit at the invitation of the Federal Secretariat of Foreign Affairs, headed by Josip Vrhovec. The Cuban foreign minister today will conclude the third round of talks with his counterpart. The Cuban foreign minister and his entourage are scheduled to depart on Saturday.

HART CONCLUDES CUBAN CULTURAL ACTIVITIES IN HUNGARY

Cuban Culture Week Ends

FL190041 Havana Domestic Service in Spanish 0000 GMT 19 Jan 79 FL

[Text] The Cuban culture week in Hungary has reached a brilliant climax with a gala concert by the Cegled Symphonic Orchestra under the direction of Maestro Gonzalo Romeu and a solo by pianist Silvio Rodriguez Cardenas and guitarist Leo (Brawer). PCC Politburo member and Culture Minister Armando Hart Davalos, Hungarian Culture Ministry State Secretary Ferenc Molnar and Cultural Relations Institute Deputy Chairman Vilmos Meruk attended the performance at the Franz Liszt Academy of Music.

The high point of the concert was the interpretation of the (Aram Huist) concerto by Maestro Leo (Brawer), a part of which he had to repeat at the insistence of the public. The rest of the program was accorded a warm welcome. Nearly 300 artists participated in the Cuban culture week in Hungary, which included different forms of the arts, such as dancing, singing, music, book exhibits, popular arts, humor and paintings.

Cuban Culture Minister Armando Hart will travel to Moscow this week to inaugurate another culture week, which our country has scheduled in several socialist countries on the occasion of the 20th anniversary of the revolution.

Cultural Cooperation Protocol Signed

FL181249 Havana Domestic Service in Spanish 1200 GMT 18 Jan 79 FL

[Text] A cultural cooperation protocol between the Ministries of Culture of Cuba and the Hungarian People's Republic has been signed by Lupez Veliz, director of international relations, and (Robert Boros), principal director of international relations. [positions as heard, presumably of the Cuban and Hungarian Culture Ministries, respectively] One of the articles of the protocol, which was signed as part of the days of Cuban culture in Hungary, states that during the current 2-year period specialists from the two ministries will form a commission to examine the fundamental aspects that should be included in the 1981-85 [cooperation] plan. The protocol also states that both sides will receive delegations to exchange experiences on matters concerning the creation of an economic base for artistic work.

TRADE VICE MINISTER AT LAES MEETING IN CARACAS

FL181124 Havana Domestic Service in Spanish 1100 GMT 18 Jan 79 FL

[Text] Cuba maintained in Caracas, Venezuela, that the present international economic order has failed in trying to correct the enormous differences between the developed and developing countries and the gap has expanded. This view of the panorama in the capitalist world was expressed by Cuban Vice Minister of Foreign Trade Ricardo Cabrizas Ruiz who heads our country's delegation to the Latin American Economic System--LAES--meeting being held in Caracas since Monday.

IMPORTANCE OF HAVANA ECONOMIC MANAGEMENT STRESSED

FL181232 Havana Domestic Service in Spanish 1145 GMT 18 Jan 79 FL

[Text] A commentary by the NATIONAL NEWS AGENCY--AIN--points out that for Havana City 1979 will be extremely important in the tasks of the economic management and planning system. The commentary refers to the new and complex tasks that will be undertaken, noting that starting implementation of planned mechanisms for the establishment of incentive funds is among the most important ones.

Fifty-seven of the current 81 experimental enterprises in the capital city will begin this new policy aimed at three specific objectives: Improvement of socio-cultural conditions of their workers; material and individual awards to workers and improvement of technical-productive conditions.

Another objective of Havana City is that 196 enterprises begin implementation of economic estimates mechanisms and use of bank credits, which will raise to 277 the number of enterprises involved in this activity. The remaining enterprises are preparing to move into the economic estimates system in 1980.

The AIN commentary asserts that the capital has nearly 1/4 of the country's total budgeted enterprises and units, which means that the success of this work to be done nationally depends to a great degree on the quality of the work done in the capital. This requires doubling efforts at the beginning of the year, primarily in those areas in which there were some difficulties in 1978. The AIN commentary adds that discussion with all the workers of economic figures proposed for this year, with the required quality and details, must be kept in mind as a basic element for the success of this task. It also recalls that socialist planning is based on the principle of democratic centralism, which presupposes a correct combination of centralized state planning with the initiatives and suggestions of the workers.

CAMACHO AGUILERA CHAIRS MEETING ON DWELLINGS

FL190158 Havana Domestic Service in Spanish 0000 GMT 19 Jan 79 FL

[Text] Pinar del Rio Province must achieve a substantial growth in building dwellings in the next few years, Julio Camacho Aguilera, member of the PCC Central Committee and first party secretary in Pinar del Rio Province, has stated. Now we bring you a telephonic report by Israel Hernandez Moreira.

[Begin recording] The construction of the Gran Panel 70 plant, which will produce concrete prefabricated elements for dwellings, will be greatly stepped up this year, mainly during the first 2 months, as part of the province's efforts to progressively increase the construction of dwellings. To that end, and taking into consideration the factors dealing with such construction, a meeting chaired by Julio Camacho Aguilera was held to discuss various aspects which have an effect on the progress of construction.

Julio Carranza Valdes, a delegate of the Construction Ministry in the province, reported that during 1978 the work plan of the Gran Panel 70 plant was fulfilled by 120 percent, and that so far nearly 1 million pesos have been invested of the total of 1,335,000. Carranza said that all necessary measures have been adopted to complete the plant this year, but that a continued and intense effort of the workers will be necessary.

With respect to supplies from national organizations, it was announced that some electro-mechanical problems are being solved, even though some are due to delays in shipment from abroad, such as cranes and a transformer. There was some discussion on adjusting and stepping up those projects already planned. During the meeting Camacho Aguilera noted the importance of this project and the need to complete it because, as everyone knows, the plans for the construction of dwellings will substantially grow beginning in 1980. Gran Panel 70 will have a capacity to produce prefabricated elements for 1,000 dwellings per year. The province has other plants which are smaller. [end recording]

FRANCIA MESTRE PRAISES HARVEST EFFORTS IN GUANTANAMO

FL182346 Havana Domestic Service in Spanish 2302 GMT 18 Jan 79 FL

[Text] PCC Central Committee member and Agriculture Minister Rafael Francia Mestre stressed that progress of harvest activities in Guantanamo Province is satisfactory, but it is necessary to increase cane yield. The minister of agriculture held talks with leaders of the sector during which he also learned about the pace of cane planting for the January-April period and the (?rehabilitation of land). He stated that these two tasks are being carried out in accordance with plans.

Rafael Francia Mestre also referred to activities dealing with the coffee crop and rehabilitation plans, in which Guantanamo Province has had good results. He stressed that it is essential to make a serious effort to increase fertilization in the peasant sector, inasmuch as the rest of the tasks for the recovery of the coffee crop are being adequately fulfilled.

Francia Mestre noted that in the programs aimed at increasing tuber production in Guantanamo, there is a need for raising the yield levels per caballeria to attain a delivery of 300 lbs per capita per year beginning in 1980. The agriculture minister toured the Valley of Caujeri, especially those areas where the Coroco and Puerto Azul dams will contribute to the development of tuber plantations in that area, as ordered by Commander in Chief Fidel Castro in July 1977. It is expected that the Coroco dam of Guantanamo Province will be completed during the first 3 months of this year.

ORLANDO FUNDORA CHAIRS ICRT ASSESSMENT MEETING

FL191323 Havana Domestic Service in Spanish 1100 GMT 19 Jan 79 FL

[Summary] A meeting to assess the work done by the Cuban Radio and Television Institute (ICRT) in Villa Clara Province in 1978 has been held in Santa Clara. The meeting was chaired by Orlando Fundora, chief of the PCC Central Committee's Department of Revolutionary Orientation, and ICRT President Nivaldo Herrera. The main report read at the meeting covers the principle activities undertaken by the ICRT in Villa Clara last year. The report also announces the work guidelines for this year. The provincial radio station CMHW was recognized as an outstanding center in socialist emulation during 1978. In a special presentation, Nivaldo Herrera discussed the cultural, political and professional improvement of ICRT workers. He announced that to this end a national center will begin operations in 1981.

EJT CANECUTTING BRIGADES RECEIVE BANNERS

FL190054 Havana Domestic Service in Spanish 0000 GMT 19 Jan 79 FL

[Text] The first canecutting brigades of the Youth Labor Army [EJT] to cut one million arrobas of cane have received the banners accrediting them as "millionaires" in a ceremony chaired by Div Gen Rigoberto Garcia Fernandez, Revolutionary Armed Forces vice minister and EJT forces chief.

During the ceremony the EJT chief noted the role played by the squad chiefs as constant guides of the troops and stated that the discipline and political work of the battalion to which the "millionaire" brigades belong prove the integrity of the accomplishments. Div Gen Rigoberto Garcia also referred to the need for such successes to be attained in production, Education and discipline so that the EJT may become a real training school for youths.

The "millionaire" brigades are the Antonio Maceo, Ciro Redondo, 20th anniversary and Paquito Gonzalez as well as the Batalla de Guisa, which was the first one to cut one million arrobas of cane.

PEACE MOVEMENT SENDS MESSAGE TO KAMPUCHEA

FL191118 Havana Domestic Service in Spanish 1100 GMT 19 Jan 79 FL

[Text] The Cuban Movement for Peace and Sovereignty of Peoples has sent a message to the Kampuchea People's Revolutionary National Council in which it expresses satisfaction and joy over the great victory of the Kampuchean people. We are certain that this victory, the message says, not only paves the way for democracy and progress in your country, but will also contribute to strengthening peace and international security, especially in that region of Southeast Asia.

MANLEY ADDRESSES NATION ON FUEL PRICE DISTURBANCES

FL161550 Kingston DAILY GLEANER in English 12 Jan 79 p 10 FL

[Text of 10 January speech by Prime Minister Michael Manley, broadcast over nationwide radio and television]

[Excerpts] A number of things have happened over the last three days and I think we can now review the events so far and discuss the economic and political implications.

By now it is obvious to everybody that we are not dealing with a simply case of upset about the price of gasoline. There is upset about that but, quite separately, there is something completely different; and that is a carefully organised political plot aimed at causing the greatest possible damage to Jamaica and its economy. I intend to deal with both things tonight: with the price of gasoline first and with the organised plot second.

I know and well understand that this is a time of great hardship for everyone. I know that prices are very hard to bear and that there is very real suffering. I know that there are many people who preach day and night that this is caused by government mismanagement, and I know that there are many people who believe that. I also know that there are many people who realise that Jamaica has been caught since 1973 in world economic conditions that have put every Third World country under almost unbelievable pressure and strain, making it very difficult for nations like ours to survive at all.

Everyone knows deep in their heart that this government has worked, like no other before, to try to create change in Jamaica and to try to create new opportunities for the poor and to create new dignity and status for the workers, the farmers, small businessmen, nurses, teachers and many others.

We have never denied that we have made some mistakes but, at the same time, we are proud of some of the tremendous accomplishments since 1972. Among the most important of those accomplishments has been the new levels of freedom and democratic participation to which we have led Jamaica. People's passports are no longer seized. People are now free to read the great books written by black and other leaders of thought in the world. Co-operative opportunities are opening up. Workers are beginning to be elected to boards of directors of major corporations. Community councils are coming into being. The press remains completely free--you have only to read it to see how true that is.

Even the present demonstration is a case in point. I can remember a few years ago when the first sign of such a demonstration would have been met immediately with the most repressive action by the state. In contrast you will notice how the security forces have handled this demonstration with the restraint and tolerance that characterizes this government.

Now let us look at gasoline specifically.

The agreement with the International Monetary Fund, which included the 1978 to 1979 budget, represented a new set of arrangements superseding whatever had gone before. In that budget, as presented to Parliament, the tax on gasoline was announced by the minister of finance. He made it clear that this tax was expected to produce a revenue of \$110M. At the same time, he announced that there would be \$11M of subsidy on diesel oil and kerosene. That is to say, the net benefit to the budget would be \$99M for the financial year. This was clearly on record in Parliament.

Now the tax itself was not a flat sum, but was announced as a percentage of refinery costs and set at 220 percent. Between May and December, although OPEC announced no increase, there were substantial increases in costs. The OPEC increase which was announced for January of this year came on top of these other increases. If we had applied the 220 percent tax which has been the official rate since the IMF agreement, the price would have gone through the sky. In fact we had only been able to hold the price at \$3.00 till this month because there was a stabilization fund. But that is another story for another evening.

There are many people who still think that what we have now done has somehow increased the taxes which the government has taken from gasoline. This is not so. In fact, when we take the taxes which we collected by the 220 percent formula between May and December of last year, and add the new arrangements which we announced on Monday, the total tax take of the government will not be \$110M as planned, but \$102M.

Therefore our gross taxes from gasoline for the financial year which ends in March will be \$8M less than announced in the budget last year. What is more, the revenue which the new method will provide for the financial year 79/80 will also be \$102M, which is still \$8M less than originally planned. In addition, we will be paying a subsidy of \$12M on diesel and kerosene. Therefore the net benefit to the budget next year will be \$90M instead of the \$99M a year which has been planned in last year's budget. That is \$9 million less in all.

There has been an attempt to suggest that in the statement I made on Monday afternoon I indicated there would be no price increase in gasoline. This is totally untrue. I stated there would be no increase in the taxes on gasoline, and to make this absolutely clear I will read the section of my statement that deals with this.

"The Cabinet has been looking at this over the last few days. It has already been decided that there will be no attempt to collect more taxes from gasoline in 1979, by comparison with 1978. The figures that are being worked on right now for presentation to Cabinet this afternoon are figures that deal purely with the question of the increases in costs, including OPEC, which have occurred since the \$3.00 price was fixed last May. It is not intended that anything more than this should be passed on in the form of increased gas prices." Perfectly clear! Increased prices would be held to increases in cost!

I would now like to remind you of some of the things that are done with the \$90 million net which we have been getting from gas. Food subsidies alone have run at \$50 million a year. The transport subsidy which enables the school children of the corporate area to get to school for 10 cents costs \$13.6M per year.

We can stop any of those things and the price can remain where it is. We spend \$7 million a year on JAMAL [Jamaica Movement for the Advancement of Literacy] and already some 200,000 people can now read and write who could not before. We can stop that program. People talk of the employment programs which bring relief to a comparatively small portion of the unemployed. We can look at all of the people who work to straighten river beds and repair country roads and tell them: "Nothing for you this year," and the price will remain. But we do not believe that when you really stop and think about it that anybody in Jamaica really thinks that that is what we should do.

Let us now turn to what has been taking place. A lot of people who took part in the demonstrations at first did so because they thought that this was a genuine protest about prices and, as far as they were concerned, they were genuinely protesting about prices and, as I have said before and repeat, I understand that and sympathize with it. [paragraph continues]

What is now clear, however, is that the demonstrations themselves are the result of a highly organised political plan intended either to try to overthrow the government or, failing that, to cause such economic dislocation that the country would be set back grievously and terribly from the economic recovery which is just beginning.

Everybody knows the battering that the Jamaican economy has taken. The shrewd observer has noted that economic recovery is beginning. Tourism is moving again. Bauxite is on the increase. Domestic agriculture has had a second successive year of tremendous growth. Sugar looks as if it could really see a substantial increase in production this year. The sacrifice which the people have been making has been asked for for one reason and one reason only, and that is to create the economic conditions for recovery, growth, expansion, more jobs, more foreign exchange and, as a result of all that, a return to a path of steady progress.

A group of people representing elements of the J.L.P. [Jamaican Labor Party] have looked at all of this and have made a calculation. They know the sacrifices have been great and therefore hope that the people can be easily fooled into taking action which is against their real interests in the long run. At the same time, they are very worried that if the economic recovery continues, people may come to feel that the sacrifice was worth it after all. They fear that if that ever happens, their own perfectly selfish and ruthless political ambitions may not materialise, so they decided to jump on the gas price issue as an excuse for organising demonstrations and that really have nothing to do with gas prices at all. Their objective is nothing to do with the cost of living. Their objective is power by any means.

In effect, the security forces have confirmed that the series of disturbances and civil disobedience campaign is indeed an organized campaign.

This illegal act of civil disobedience has been organized by a number of people operating with citizens band radios, cars, trucks, printed material and other aids.

It could not be a casual operation, as we have seen a well-planned and timed series of manoeuvres aimed at creating serious disruptions to the economy and the country.

They further state that this illegal campaign can also provide the opportunity for criminal elements in the society to use this as an opening to create even further damage and harm to persons.

Trucks are used to transport debris and other materials to block roads at strategic points. As soon as the security forces clear an area which is blocked, demonstrators replace the barriers in the road.

All these activities are deliberate and are designed to hamper the smooth functioning of the country and place additional burdens on the shoulders of the security forces.

And meantime, let me give you some idea of what this is costing Jamaica. In the bauxite industry, for instance, we know that the net foreign exchange loss is in the region of US 3/4 million per day. At J.O.S. [Jamaica Omnibus Service] loss in revenue and the cost of damage to vehicles in the first two days of the demonstration was in excess of \$200,000 and this does not include the losses that were incurred today.

We are unable to calculate the loss in the tourism sector as the Tourist Board is still checking to determine the exact number of cancellations and the cost to the economy. [paragraph continues]

And it is impossible to calculate the cost of the production we have lost through the forced closure of factories and offices.

Who can possibly benefit from this sinister piece of political opportunism? And, more importantly, who is going to suffer?

I call upon all patriotic Jamaicans to unite to stop this madness now. I want to express my deepest appreciation to the Jamaica Constabulary Force, the Jamaica Defence Force, the Fire Brigade Service and the Home Guard for their loyalty, discipline, courage and hard work over the last few days. I want to thank all the workers who remained at their post to man vital services, and the increasing number of people who are helping to remove road blocks, including the firms that loaned heavy equipment and trucks. I also want to thank the tens of thousands of good citizens who have done their best to go about their work.

JLP'S SEAGA COMMENTS ON PROTESTS, GOVERNMENT

FL181610 Kingston DAILY GLEANER in English 15 Jan 79 p 1 FL

[Text] The Jamaica Labour Party will use every constitutional and legal means to protest in order to stop what JLP leader Mr. Edward Seaga called yesterday "this tax-mad government" from reducing the country to the state of an economic vegetable.

In a broadcast yesterday on last week's demonstrations, Mr. Seaga declared that the country had reached its taxable capacity and dubbed government's decision to remove subsidies from corn, soya and wheat products as "economic lunacy" which the JLP condemns.

Mr. Seaga said that the Jamaica Nutrition Holdings Ltd. was discussing with the trade new prices to flow from the removal of subsidies.

He said that new prices being contemplated for edible oil was \$1.40 (approximate) per bottle from the present \$1.20; margarine \$1.30 (approximate) per pound from \$1.06; cornmeal 25 cents per pound (approx) from 18 cents; bread \$1.20 per two-pound loaf from \$1.02 and chicken meat \$1.45 per pound (approximate) from \$1.20.